

97TH CONGRESS }
1st Session }

HOUSE OF REPRESENTATIVES

{ REPORT
No. 97-311

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1982

NOVEMBER 3, 1981.—Ordered to be printed

Mr. PRICE, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany S. 815]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 815) to authorize appropriations for fiscal year 1982, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to authorize appropriations for fiscal year 1982 for operations and maintenance expenses of the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve Component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1982 for civil defense, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Department of Defense Authorization Act, 1982".

TITLE I—PROCUREMENT

AUTHORIZATION OF APPROPRIATIONS

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons in amounts as follows:

AIRCRAFT

For aircraft: for the Army, \$1,910,200,000; for the Navy and the Marine Corps, \$9,302,500,000; for the Air Force, \$13,773,698,000, of which \$1,801,000,000 is available only for procurement of long-range combat aircraft.

MISSILES

For missiles: for the Army, \$2,146,900,000; for the Navy, \$2,567,000,000; for the Marine Corps, \$223,024,000; for the Air Force, \$4,186,846,000.

NAVAL VESSELS

For naval vessels: for the Navy, \$8,795,900,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, \$3,251,200,000; for the Marine Corps, \$281,739,000.

TORPEDOES

For torpedoes and related support equipment: for the Navy, \$516,600,000.

OTHER WEAPONS

For other weapons: for the Army, \$655,400,000; for the Navy, \$200,200,000; for the Marine Corps, \$136,344,000; for the Air Force, \$3,047,000.

ARMY NATIONAL GUARD

For tracked combat vehicles and other weapons: for the Army National Guard, \$50,000,000, which amount shall be in addition to any other funds authorized to be appropriated by this or any other Act.

CONTRIBUTION TO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) FOR NATO

SEC. 102. Of the funds authorized to be appropriated in this title for aircraft for the Air Force, the sum of \$344,300,000 is available only for contribution by the United States as its share of the cost for fiscal year 1982 of acquisition by the North Atlantic Treaty Organization of the Airborne Warning and Control System (AWACS).

CERTAIN AUTHORITY PROVIDED SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) PROGRAM

SEC. 103. (a) During fiscal year 1982, the Secretary of Defense, in carrying out the Multilateral Memorandum of Understanding Between the North Atlantic Treaty Organization (NATO) Ministers of Defence on the NATO E-3A Cooperative Programme, signed by the Secretary of Defense on December 6, 1978, may—

(1) waive reimbursement for the cost of the following functions performed by personnel other than personnel employed in the United States Air Force Airborne Warning and Control System (AWACS) program office:

- (A) auditing;*
- (B) quality assurance;*
- (C) codification;*
- (D) inspection;*
- (E) contract administration;*
- (F) acceptance testing;*
- (G) certification services; and*
- (H) planning, programing, and management services;*

(2) waive any surcharge for administrative services otherwise chargeable; and

(3) in connection with the NATO E-3A Cooperative Programme for fiscal year 1982, assume contingent liability for—

- (A) program losses resulting from the gross negligence of any contracting officer of the United States;*
- (B) identifiable taxes, customs duties, and other charges levied within the United States on the program; and*
- (C) the United States share of the unfunded termination liability.*

(b) Authority under this section to enter into contracts shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. (a) Funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Armed Forces of the United States for research, development, test, and evaluation in amounts as follows:

For the Army, \$3,746,299,000.

For the Navy (including the Marine Corps), \$6,072,167,000.

For the Air Force, \$8,686,800,000.

For the Defense Agencies, \$1,899,847,000, of which \$53,000,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1982, such additional sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose com-

compensation is provided for by funds authorized to be appropriated in such subsection.

LONG-RANGE COMBAT AIRCRAFT

SEC. 202. (a) None of the funds appropriated pursuant to an authorization of appropriations in this Act may be obligated or expended for the full-scale engineering development or procurement of a long-range combat aircraft before November 18, 1981, and none of such funds may be obligated or expended for such purposes on or after such date if, before such date, the Senate and the House of Representatives have agreed to resolutions of their respective Houses expressing disapproval of the President's decision announced on October 2, 1981, regarding the development of long-range combat aircraft.

(b) For the purposes of this section, the term "resolution" means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the
does not favor the decision of the President announced on October 2, 1981, regarding the development of long-range combat aircraft", the blank space therein being filled with the name of the resolving House.

(c) Subsections (d) through (i) are enacted by the Congress—

(1) as an exercise of the rulemaking power of the Senate and as such they are deemed a part of the rules of the Senate, but applicable only with respect to the procedure to be followed in the Senate in the case of resolutions described in subsection (b), and they supersede other rules of the Senate only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of the Senate to change such rules at any time, in the same manner and to the same extent as in the case of any other rules of the Senate.

(d) A resolution in the Senate shall be referred to the Committee on Armed Services of the Senate.

(e) If the Committee on Armed Services of the Senate has not reported a resolution referred to it at the end of seven calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution which has been referred to the committee.

(f) A motion to discharge may be made only by a Senator favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(g) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution.

(h) When the Committee on Armed Services of the Senate has reported, or has been discharged from further consideration of, a resolution, it is at any time thereafter in order (even though a previous

motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(i)(1) Debate in the Senate on the resolution shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

(2) Motions in the Senate to postpone, made with respect to the discharge from committee or the consideration of a resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(3) Appeals in the Senate from the decisions of the Chair relating to the application of the rules of the Senate to the procedure relating to a resolution shall be decided without debate.

MX MISSILE AND BASING MODE

SEC. 203. (a)(1) None of the funds appropriated pursuant to an authorization of appropriations in this Act may be obligated or expended for development of an operational basing mode for the MX missile before November 18, 1981, and none of such funds may be obligated or expended for such purpose on or after such date if, before such date, the Senate and the House of Representatives have agreed to resolutions of their respective Houses expressing disapproval of the President's decision announced on October 2, 1981, regarding the basing mode for the MX missile.

(2) Development of the MX missile system shall continue so as to achieve an initial operational capability (IOC) for the MX missile system not later than December 31, 1986.

(b) For the purposes of this section, the term "resolution" means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the does not favor the decision of the President announced on October 2, 1981, regarding the basing mode for the MX missile", the blank space therein being filled with the name of the resolving House.

(c) Subsections (d) through (i) are enacted by the Congress—

(1) as an exercise of the rulemaking power of the Senate and as such they are deemed a part of the rules of the Senate, but applicable only with respect to the procedure to be followed in the Senate in the case of resolutions described in subsection (b), and they supersede other rules of the Senate only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of the Senate to change such rules at any time, in the same manner and to the same extent as in the case of any other rules of the Senate.

(d) A resolution in the Senate shall be referred to the Committee on Armed Services of the Senate.

(e) If the Committee on Armed Services of the Senate has not reported a resolution referred to it at the end of seven calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution which has been referred to the committee.

(f) A motion to discharge may be made only by a Senator favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(g) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution.

(h) When the Committee on Armed Services of the Senate has reported, or has been discharged from further consideration of, a resolution, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(i)(1) Debate in the Senate on the resolution shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

(2) Motions in the Senate to postpone, made with respect to the discharge from committee or the consideration of a resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(3) Appeals in the Senate from the decisions of the Chair relating to the application of the rules of the Senate to the procedure relating to a resolution shall be decided without debate.

TITLE III—OPERATION AND MAINTENANCE

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. (a) Funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Armed Forces of the United States and other activities and agencies of the Department of Defense for operation and maintenance in amounts as follows:

For the Army, \$17,024,044,000.

For the Navy, \$20,130,410,000.

For the Air Force, \$18,898,140,000.

For the Marine Corps, \$1,249,939,000.

For Defense-wide activities, \$4,859,207,000.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year

1982 such additional sums as may be necessary (1) for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in such subsection, and (2) for unbudgeted increases in fuel costs and for increases as the result of inflation in the cost of activities authorized by subsection (a).

MODIFICATION OF ANNUAL OPERATION AND MAINTENANCE REPORT

SEC. 302. Section 138(e) of title 10, United States Code, is amended by striking out paragraphs (3) and (4).

PRESERVATION OF MILITARY NATURE OF VETERINARY SUPPORT TO DEFENSE RESEARCH AND DEVELOPMENT ACTIVITIES

SEC. 303. None of the funds appropriated pursuant to an authorization of appropriations contained in this Act may be used for the purpose of converting military veterinary positions that are supporting research and development activities of the Department of Defense or of any of the Armed Forces to civilian positions.

PROHIBITION OF CONTRACTING OUT ENTIRE MEDICAL FACILITIES

SEC. 304. None of the funds appropriated pursuant to an authorization of appropriations contained in this Act may be used for the purpose of contracting out an entire medical facility.

LEASED SATELLITE COMMUNICATIONS (LEASAT) SYSTEM

SEC. 305. Of the amount authorized to be appropriated in section 301 for operation and maintenance of the Navy, \$67,000,000 is available for the Leased Satellite Communications (LEASAT) system.

TITLE IV—ACTIVE FORCES

AUTHORIZATION OF END STRENGTHS

SEC. 401. The Armed Forces are authorized strengths for active duty personnel as of September 30, 1982, as follows:

- (1) The Army, 780,300.
- (2) The Navy, 554,600.
- (3) The Marine Corps, 192,100.
- (4) The Air Force, 580,800.

QUALITY CONTROL ON ENLISTMENTS

SEC. 402. (a) Section 302(a) of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 10 U.S.C. 520 note) is amended by striking out "October 1, 1980" and "September 30, 1981" and inserting in lieu thereof "October 1, 1981" and "September 30, 1982", respectively.

(b)(1) Section 520 of title 10, United States Code, is amended—

- (A) by inserting "(a)" before "For" in the first sentence; and
- (B) by adding at the end thereof the following new subsection:

"(b) A person who is not a high school graduate may not be accepted for enlistment in the armed forces unless the score of that person on the Armed Forces Qualification Test is at or above the thirty-first percentile."

(2) The amendments made by paragraph (1) shall take effect at the end of the 30-day period beginning on the date of the enactment of this Act.

DESIGNATION OF AIR FORCE PHYSICIAN ASSISTANTS AS COMMISSIONED OFFICERS

SEC. 403. Section 8067(f) of title 10, United States Code, is amended by inserting ", including physician assistant functions," after "functions".

REPEAL OF LIMITATION ON DEPENDENTS OVERSEAS

SEC. 404. Section 406 of title 37, United States Code, is amended—
(1) by striking out "and subsection (i) of this section" in subsection (a);

(2) by striking out "Except as provided in subsection (i) of this section, in" in subsection (h) and inserting in lieu thereof "In";
and

(3) by striking out subsection (i) and inserting in lieu thereof the following:

"(i) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report at the end of each fiscal year quarter stating—

"(1) the number of dependents who during the preceding quarter were accompanying members of the Army, Navy, Air Force, and Marine Corps who were stationed outside the United States and were authorized by the Secretary concerned to receive allowances or transportation for dependents under subsection (a) or (h) of this section; and

"(2) the number of dependents who during the preceding quarter were accompanying members of the Army, Navy, Air Force, and Marine Corps who were stationed outside the United States and were not authorized to receive such allowances or transportation."

CHANGE OF TITLE OF NEW PERMANENT FLAG GRADE FOR THE NAVY FROM COMMODORE ADMIRAL TO COMMODORE

SEC. 405. (a) Section 5501 of title 10, United States Code, is amended by striking out "admiral" in clause (4) after "Commodore".

(b)(1) The following sections of title 10, United States Code, are amended by striking out "admiral" after "commodore" each place it appears: 101(41), 525(a), 601(c)(2), 611(a), 612(a)(3), 619(a)(2)(B), 619(c)(2)(A)(ii), 625(a), 625(c), 634, 635, 637(b)(2), 638(a)(3), 638(b), 638(c), 645(1)(A)(ii), 5138(a), 5149(b), 5155(c), 5442, 5444, 5457(a), and 6389(f).

(2) Section 5444 of such title is amended by striking out "commodore admirals" in subsections (a) and (f) and inserting in lieu thereof "commodores".

(3) The tables in sections 5442(a) and 5444(a) of such title are amended by striking out "commodore admirals" and inserting in lieu thereof "commodores".

(4)(A) The heading of section 625 of such title is amended by striking out the last word.

(B) The item relating to such section in the table of sections at the beginning of subchapter II of chapter 36 of such title is amended by striking out the last word.

(5)(A) The heading of section 635 of such title is amended to read as follows:

"§ 635. Retirement for years of service: regular brigadier generals and commodores".

(B) The item relating to such section in the table of sections at the beginning of subchapter III of chapter 36 of such title is amended to read as follows:

"635. Retirement for years of service: regular brigadier generals and commodores."

(6)(A) The heading of section 5442 of such title is amended to read as follows:

"§ 5442. Navy: line officers on active duty; commodores and rear admirals".

(B) The item relating to such section in the table of sections at the beginning of chapter 533 of such title is amended to read as follows:

"5442. Navy: line officers on active duty; commodores and rear admirals."

(7)(A) The heading of section 5444 of such title is amended to read as follows:

"§ 5444. Navy: staff corps officers on active duty; commodores and rear admirals".

(B) The item relating to such section in the table of sections at the beginning of chapter 533 of such title is amended to read as follows:

"5444. Navy: staff corps officers on active duty; commodores and rear admirals."

(8) The table in section 741(a) of such title is amended by striking out "admiral" after "Commodore".

(c) The table in section 201(a) of title 37, United States Code, is amended by striking out "admiral" after "Commodore" in the third column.

(d)(1) Section 614 of the Defense Officer Personnel Management Act is amended by striking out "admiral" after "commodore" each place it appears.

(2)(A) The heading of such section is amended to read as follows:

"TRANSITION PROVISIONS TO NEW COMMODORE GRADE"

(B) The item relating to such section in the table of contents in section 1(b) of such Act is amended to read as follows:

"Sec. 614. Transition provisions to new commodore grade."

(e) Section 621(b) of the Defense Officer Personnel Management Act is amended by striking out "admiral" after "commodore".

(f) The amendments made by this section shall take effect as of September 15, 1981.

**EXTENSION OF PILOT DEPARTMENT OF DEFENSE EDUCATIONAL LOAN
REPAYMENT PROGRAM**

SEC. 406. Section 902(g) of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 94 Stat. 1115), is amended by striking out "October 1, 1981" and inserting in lieu thereof "October 1, 1983".

TITLE V—RESERVE FORCES

AUTHORIZATION OF AVERAGE STRENGTHS FOR SELECTED RESERVE

SEC. 501. (a) For fiscal year 1982, the Selected Reserve of the reserve components of the Armed Forces shall be programed to attain average strengths of not less than the following:

- (1) The Army National Guard of the United States, 392,800.*
- (2) The Army Reserve, 235,300.*
- (3) The Naval Reserve, 87,600.*
- (4) The Marine Corps Reserve, 37,600.*
- (5) The Air National Guard of the United States, 98,600.*
- (6) The Air Force Reserve, 62,800.*
- (7) The Coast Guard Reserve, 12,000.*

(b) The average strength prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

**AUTHORIZATION OF END STRENGTHS FOR RESERVES ON ACTIVE DUTY
IN SUPPORT OF THE RESERVES**

SEC. 502. (a) Within the average strengths prescribed in section 501, the reserve components of the Armed Forces are authorized as of September 30, 1982, the following number of Reserves to be serving on full-time active duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

- (1) The Army National Guard of the United States, 11,439.*
- (2) The Army Reserve, 6,285.*
- (3) The Naval Reserve, 208.*
- (4) The Marine Corps Reserve, 447.*
- (5) The Air National Guard of the United States, 3,312.*
- (6) The Air Force Reserve, 701.*

(b) Upon a determination by the Secretary of Defense that such action is in the national interest, the end strengths prescribed by subsection (a) may be increased by a total of not more than the

number equal to 2 percent of the total of the end strengths prescribed.

INCREASE IN NUMBER OF CERTAIN PERSONNEL AUTHORIZED TO BE ON
ACTIVE DUTY IN SUPPORT OF THE RESERVE COMPONENTS

SEC. 503. Section 517 of title 10, United States Code, is amended—
(1) by striking out the table in subsection (b) and inserting in
lieu thereof the following:

| "Grade | Army | Navy | Air Force | Ma- rine Corps |
|----------|------|------|--------------|----------------------|
| E-9..... | 222 | 146 | 76 | 4 |
| E-8..... | 908 | 319 | 307 | 12"; |

and

(2) by adding at the end thereof the following new subsection:
"(c) Whenever the number of members serving in pay grade E-9 is less than the number authorized for that grade under subsection (a), or whenever the number of members serving in pay grade E-9 for duty described in subsection (b) is less than the number authorized for that grade under subsection (b), the difference between the two numbers may be applied to increase the number authorized under such subsection for pay grade E-8."

(b) The columns under the headings "Army" and "Air Force" in the table contained in section 524(a) of such title are amended to read as follows:

| | "Army | Air Force |
|--|-------|--------------|
| | 1,105 | 189 |
| | 551 | 194 |
| | 171 | 147". |

DEFENSE MOBILIZATION CAPABILITY STUDIES

SEC. 504. (a) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives, not later than February 1, 1982, a written report containing a plan for resolving the existing shortage in pretrained military manpower required for a mobilization. The Secretary shall include in that report—

(1) a detailed explanation for the total number of pretrained personnel estimated to be needed in the event of full military mobilization;

(2) alternatives for eliminating, by September 30, 1984, the shortage in pretrained manpower needed for military mobilization during a war or other national emergency, including—

(A) approaches under which persons would be inducted for service in the Individual Ready Reserve of the reserve components of the Armed Forces, and

(B) approaches which do not provide for involuntary service in the Individual Ready Reserve; and

(3) a detailed assessment of each of the various approaches addressed, including an assessment of the extent to which each will eliminate the shortages in pretrained military manpower in the Individual Ready Reserve.

(b) The Secretary of Defense shall conduct a study of the potential impact on military capability during an emergency or mobilization of the use of Department of Defense civilian employees and of employees of private contractors who are performing work for the Department of Defense on a contractual basis who are not subject to the Uniform Code of Military Justice. The Secretary of Defense shall submit the results of such study to the Congress not later than February 1, 1982.

EXTENSION OF AUTHORITY FOR SELECTED RESERVE AFFILIATION
BONUS

SEC. 505. Section 308e(e) of title 37, United States Code, is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1985".

TITLE VI—CIVILIAN PERSONNEL

AUTHORIZATION OF END STRENGTHS

SEC. 601. (a) The Department of Defense is authorized a strength in civilian personnel, as of September 30, 1982, of 1,024,500.

(b)(1) The strength for civilian personnel prescribed in subsection (a) shall be apportioned among the Department of the Army, the Department of the Navy, the Department of the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within sixty days after the date of the enactment of this Act on the manner in which the initial allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale for such allocation.

(2)(A) Of the number of civilian personnel allocated to the Department of the Army pursuant to paragraph (1), the Secretary of the Army shall use not less than 16,800 of such number to relieve military personnel for the performance of other duties. Not more than 5,000 of such 16,800 personnel may be indirect hires.

(B) The Secretary of the Army shall submit a written report to the Committees on Armed Services of the Senate and House of Representatives not later than February 1, 1982, specifying how the 16,800 civilian personnel referred to in subparagraph (A) are to be utilized. The Secretary shall also indicate in such report (i) the extent to which such civilian personnel will be used to fill positions currently held by noncommissioned officers, and (ii) the number of such non-

commissioned officers who will be assigned to combat units by virtue of the use of such civilian personnel in such positions.

(c) In computing the strength for civilian personnel, there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Personnel employed under a part-time career employment program established by section 3402 of title 5, United States Code, shall be counted as prescribed by section 3404 of that title. Whenever a function, power, or duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end-strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest or if any conversion of commercial- and industrial-type functions from performance by Department of Defense personnel to performance by private contractors which was anticipated to be made during fiscal year 1982 in the budget of the President submitted for such fiscal year is not determined to be appropriate for such conversion under established administrative criteria, the Secretary of Defense may authorize the employment of civilian personnel in excess of the number authorized by subsection (a), but such additional number may not exceed 2 percent of the total number of civilian personnel authorized for the Department of Defense by subsection (a). The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under this subsection.

REPEAL OF REQUIREMENT FOR REDUCTION IN NUMBER OF SENIOR- GRADE CIVILIAN EMPLOYEES

SEC. 602. Section 811(a) of the Department of Defense Appropriation Authorization Act, 1978 (10 U.S.C. 131 note), is amended—

(1) by striking out paragraph (2); and

(2) by redesignating paragraph (3) as paragraph (2) and by striking out "paragraphs (1) and (2)" in such paragraph and inserting in lieu thereof "paragraph (1)".

STUDENTS EMPLOYED IN RESEARCH AND DEVELOPMENT LABORATORIES

SEC. 603. (a) Chapter 139 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2360. Research and development laboratories: contracts for services of university students

"(a) Subject to the availability of appropriations for such purpose, the Secretary of Defense may procure by contract under the authority of this section the temporary or intermittent services of students at institutions of higher learning for the purpose of providing technical support at defense research and development laboratories. Such contracts may be made directly with such students or with nonprofit organizations employing such students.

"(b) Students providing services pursuant to a contract made under subsection (a) shall be considered to be employees for the purposes of chapter 81 of title 5, relating to compensation for work injuries, and to be employees of the government for the purposes of chapter 171 of title 28, relating to tort claims. Such students who are not otherwise employed by the Federal Government shall not be considered to be Federal employees for any other purpose.

"(c) The Secretary of Defense shall prescribe regulations to carry out this section. Such regulations shall include definitions for the purposes of this section of the terms 'student', 'institution of higher learning', and 'nonprofit organization'."

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2360. Research and development laboratories: contracts for services of university students."

TITLE VII—MILITARY TRAINING STUDENT LOADS

AUTHORIZATION OF TRAINING STUDENT LOADS

SEC. 701. (a) *For fiscal year 1982, the components of the Armed Forces are authorized average military training student loads as follows:*

- (1) The Army, 57,996.*
- (2) The Navy, 65,133.*
- (3) The Marine Corps, 18,311.*
- (4) The Air Force, 46,389.*
- (5) The Army National Guard of the United States, 7,467.*
- (6) The Army Reserve, 8,456.*
- (7) The Naval Reserve, 1,041.*
- (8) The Marine Corps Reserve, 2,835.*
- (9) The Air National Guard of the United States, 2,377.*
- (10) The Air Force Reserve, 1,405.*

(b) In addition to the number authorized in subsection (a), the following components of the Armed Forces are authorized a military training student load to be utilized solely for one station unit training of not less than the following:

- (1) The Army, 17,732.*
- (2) The Army National Guard of the United States, 7,070.*
- (3) The Army Reserve, 2,374.*

(c) The average military student loads for the Army, the Navy, the Marine Corps, and the Air Force and the reserve components authorized in subsection (a) for fiscal year 1982 shall be adjusted consistent with the manpower strengths authorized in titles IV, V, and VI of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the re-

serve components in such manner as the Secretary of Defense shall prescribe.

**EXTENSION OF REDUCTION IN NUMBER OF STUDENTS REQUIRED TO BE
IN A UNIT OF THE JUNIOR RESERVE OFFICERS' TRAINING CORPS**

SEC. 702. (a) Section 602 of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 94 Stat. 1087), is amended by striking out "August 31, 1981" and inserting in lieu thereof "August 31, 1982".

(b) The amendment made by subsection (a) shall take effect as of August 31, 1981.

TITLE VIII—CIVIL DEFENSE

AUTHORIZATION OF APPROPRIATIONS

SEC. 801. There is hereby authorized to be appropriated for fiscal year 1982 to carry out the provisions of the Federal Civil Defense Act of 1950 the sum of \$129,000,000.

**AMOUNT AUTHORIZED FOR CONTRIBUTION FOR STATE PERSONNEL AND
ADMINISTRATIVE EXPENSES**

SEC. 802. Section 408 of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2260) is amended by striking out "\$40,000,000" and inserting in lieu thereof "\$47,000,000".

DUAL-USE POLICY

SEC. 803. (a)(1) Title III of the Federal Civil Defense Act of 1950 is amended by adding at the end thereof the following new section:

**"DUAL-USE FOR ATTACK-RELATED CIVIL DEFENSE AND DISASTER-
RELATED CIVIL DEFENSE**

"SEC. 207. Funds made available to the States under this Act may be used by the States for the purposes of preparing for, and providing emergency assistance in response to, natural disasters to the extent that the use of such funds for such purposes is consistent with, contributes to, and does not detract from attack-related civil defense preparedness. The Administrator shall prescribe regulations to carry out the preceding sentence. Such regulations shall authorize the use for natural disaster purposes of civil defense personnel, materials, and facilities supported in whole or in part through contributions under this Act if such personnel, materials, and facilities are utilized, as determined by the Administrator, in a manner that is consistent with, contributes to, and does not detract from attack-related civil defense preparedness. Regulations prescribed under this subsection shall provide terms and conditions authorizing such use to the greatest extent consistent with the purposes of this Act as expressed in section 2."

(2) Subsection (h) of section 205 of such Act (50 U.S.C. App. 2287) is repealed.

(3) Regulations shall be prescribed under section 207 of the Federal Civil Defense Act of 1950, as added by paragraph (1), not later

than the end of the 90-day period beginning on the date of the enactment of this Act.

(4) The table of contents of such Act is amended by inserting after the item relating to section 206 the following new item:

"Sec. 207. Dual-use for attack-related civil defense and disaster-related civil defense."

(b) Section 2 of such Act (50 U.S.C. App. 2251) is amended—

(1) by striking out "; in this thermonuclear age," in the first sentence;

(2) by inserting "and from natural disasters" after "from attack" in the second sentence; and

(3) by striking out "basic" in the fourth sentence and inserting in lieu thereof "attack-related".

(c) Section 3 of such Act (50 U.S.C. App. 2252) is amended—

(1) by redesignating paragraphs (b), (c), (d), (e), (f), and (g) as paragraphs (c), (d), (e), (f), (g), and (h), respectively;

(2) by inserting after paragraph (a) the following new paragraph (b):

"(b) The term 'natural disaster' means any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, drought, fire, or other catastrophe in any part of the United States which causes, or which may cause, substantial damage or injury to civilian property or persons and, for the purposes of this Act, any explosion, civil disturbance, or any other manmade catastrophe shall be deemed to be a natural disaster;"

(3) by inserting "or by a natural disaster" in clause (1) of paragraph (c) (as so redesignated) after "attack upon the United States"; and

(4) by inserting "or natural disaster" after "attack" each place it appears in such paragraph after clause (1).

(d)(1) Paragraph (c) of section 201 of the such Act (50 U.S.C. App. 2281(c)) is amended by striking out "of enemy attacks to the civilian population" and inserting in lieu thereof "to the civilian population of an attack or natural disaster".

(2) Paragraph (d) of such section is amended by inserting "and natural disasters" after "effects of attacks".

(3) Paragraph (g) of such section is amended by inserting "or natural disaster" after "attack" each place it appears in such paragraph.

(e) Section 205(d)(1) of such Act (50 U.S.C. App. 2286(d)(1)) is amended by inserting "and the areas which may be affected by natural disasters" after "target and support areas".

TITLE IX—GENERAL PROVISIONS

REQUIREMENT OF ANNUAL AUTHORIZATION OF APPROPRIATIONS FOR AMMUNITION AND FOR OTHER PROCUREMENT NOT CURRENTLY SUBJECT TO ANNUAL AUTHORIZATION

SEC. 901. (a) Section 138(a) of title 10, United States Code, is amended—

(1) by striking out "or" at the end of clause (6); and

(2) by inserting after clause (7) the following new clauses:

"(8) procurement of ammunition; or

"(9) other procurement by any armed force or by the activities and agencies of the Department of Defense (other than the military departments);"

(b) The amendments made by subsection (a) shall apply with respect to funds appropriated for fiscal years beginning after September 30, 1982.

**REQUIREMENT FOR ANNUAL REPORT ON NATIONAL GUARD AND
RESERVE COMPONENT EQUIPMENT**

SEC. 902. *Section 138(b) of title 10, United States Code, is amended—*

(1) by inserting "(1)" after "(b)";

(2) by inserting "average" after "authorize the"; and

(3) by adding at the end thereof the following new paragraph:

"(2) The Secretary of Defense shall submit to the Congress each year, not later than February 15, a written report concerning the equipment of the National Guard and the reserve components of the armed forces for each of the three succeeding fiscal years. Each such report shall include—

"(A) recommendations as to the type and quantity of each major item of equipment which should be in the inventory of the Selected Reserve of the Ready Reserve of each reserve component of the armed forces;

"(B) the quantity and average age of each type of major item of equipment which is expected to be physically available in the inventory of the Selected Reserve of the Ready Reserve of each reserve component as of the beginning of each fiscal year covered by the report;

"(C) the quantity and cost of each type of major item of equipment which is expected to be procured for the Selective Reserve of the Ready Reserve of each reserve component from commercial sources or to be transferred to each such Selected Reserve from the active-duty components of the armed forces; and

"(D) the quantity of each type of major item of equipment which is expected to be retired, decommissioned, transferred, or otherwise removed from the physical inventory of the Selected Reserve of the Ready Reserve of each reserve component and the plans for replacement of that equipment.

The report required by this paragraph shall be prepared and expressed in the same format and with the same level of detail as the information presented in the annual Five Year Defense Program Procurement Annex prepared by the Department of Defense."

**DEFERRAL OF PERSONNEL END-STRENGTH LIMITATIONS DURING A
NATIONAL EMERGENCY**

SEC. 903. *Section 138(c) of title 10, United States Code, is amended by adding at the end thereof the following new paragraph:*

"(4) If at the end of any fiscal year there is in effect a war or national emergency, the President may defer the effectiveness of any end-strength limitation with respect to that fiscal year prescribed by law for any military or civilian component of the armed forces or of the Department of Defense. Any such deferral may not extend beyond November 30 of the following fiscal year. The President

shall promptly notify Congress of any deferral of an end-strength limitation under this paragraph."

PROHIBITION OF CERTAIN CIVILIAN PERSONNEL MANAGEMENT CONSTRAINTS

SEC. 904. (a) Chapter 4 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 140b. Prohibition of certain civilian personnel management constraints

"The civilian personnel of the Department of Defense shall be managed each fiscal year solely on the basis of and consistent with (1) the workload required to carry out the functions and activities of the department, (2) the funds made available to the department for such fiscal year, and (3) the authorized end strength for the civilian personnel of the department for such fiscal year. The management of such personnel in any fiscal year shall not be subject to any man-year constraint or limitation."

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"140b. Prohibition of certain civilian personnel management constraints."

AUTHORIZATION OF MILITARY COOPERATION WITH CIVILIAN LAW ENFORCEMENT OFFICIALS

SEC. 905. (a)(1) Part I of subtitle A of title 10, United States Code, is amended by adding after chapter 17 the following new chapter:

"CHAPTER 18—MILITARY COOPERATION WITH CIVILIAN LAW ENFORCEMENT OFFICIALS

"Sec.

"371. Use of information collected during military operations.

"372. Use of military equipment and facilities.

"373. Training and advising civilian law enforcement officials.

"374. Assistance by Department of Defense personnel

"375. Restriction on direct participation by military personnel.

"376. Assistance not to affect adversely military preparedness.

"377. Reimbursement.

"378. Nonpreemption of other law.

"§ 371. Use of information collected during military operations

"The Secretary of Defense may, in accordance with other applicable law, provide to Federal, State, or local civilian law enforcement officials any information collected during the normal course of military operations that may be relevant to a violation of any Federal or State law within the jurisdiction of such officials.

"§ 372. Use of military equipment and facilities

"The Secretary of Defense may, in accordance with other applicable law, make available any equipment, base facility, or research facility of the Army, Navy, Air Force, or Marine Corps to any Federal, State, or local civilian law enforcement official for law enforcement purposes.

"§ 373. Training and advising civilian law enforcement officials

"The Secretary of Defense may assign members of the Army, Navy, Air Force, and Marine Corps to train Federal, State, and local civilian law enforcement officials in the operation and maintenance of equipment made available under section 372 of this title and to provide expert advice relevant to the purposes of this chapter.

"§ 374. Assistance by Department of Defense personnel

"(a) Subject to subsection (b), the Secretary of Defense, upon request from the head of an agency with jurisdiction to enforce—

"(1) the Controlled Substances Act (21 U.S.C. 801 et seq.) or the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.);

"(2) any of sections 274 through 278 of the Immigration and Nationality Act (8 U.S.C. 1324-1328); or

"(3) a law relating to the arrival or departure of merchandise (as defined in section 401 of the Tariff Act of 1930 (19 U.S.C. 1401)) into or out of the customs territory of the United States (as defined in general headnote 2 of the Tariff Schedules of the United States (19 U.S.C. 1202)) or any other territory or possession of the United States,

may assign personnel of the Department of Defense to operate and maintain or assist in operating and maintaining equipment made available under section 372 of this title with respect to any criminal violation of any such provision of law.

"(b) Except as provided in subsection (c), equipment made available under section 372 of this title may be operated by or with the assistance of personnel assigned under subsection (a) only to the extent the equipment is used for monitoring and communicating the movement of air and sea traffic.

"(c)(1) In an emergency circumstance, equipment operated by or with the assistance of personnel assigned under subsection (a) may be used outside the land area of the United States (or any territory or possession of the United States) as a base of operations by Federal law enforcement officials to facilitate the enforcement of a law listed in subsection (a) and to transport such law enforcement officials in connection with such operations, if—

"(A) equipment operated by or with the assistance of personnel assigned under subsection (a) is not used to interdict or to interrupt the passage of vessels or aircraft; and

"(B) the Secretary of Defense and the Attorney General jointly determine that an emergency circumstance exists.

"(2) For purposes of this subsection, an emergency circumstance may be determined to exist only when—

"(A) the size or scope of the suspected criminal activity in a given situation poses a serious threat to the interests of the United States; and

"(B) enforcement of a law listed in subsection (a) would be seriously impaired if the assistance described in this subsection were not provided.

"§ 375. Restriction on direct participation by military personnel

"The Secretary of Defense shall issue such regulations as may be necessary to insure that the provision of any assistance (including the provision of any equipment or facility or the assignment of any

personnel) to any civilian law enforcement official under this chapter does not include or permit direct participation by a member of the Army, Navy, Air Force, or Marine Corps in an interdiction of a vessel or aircraft, a search and seizure, arrest, or other similar activity unless participation in such activity by such member is otherwise authorized by law.

"§ 376. Assistance not to affect adversely military preparedness

"Assistance (including the provision of any equipment or facility or the assignment of any personnel) may not be provided to any civilian law enforcement official under this chapter if the provision of such assistance will adversely affect the military preparedness of the United States. The Secretary of Defense shall issue such regulations as may be necessary to insure that the provision of any such assistance does not adversely affect the military preparedness of the United States.

"§ 377. Reimbursement

"The Secretary of Defense shall issue regulations providing that reimbursement may be a condition of assistance to a civilian law enforcement official under this chapter.

"§ 378. Nonpreemption of other law

"Nothing in this chapter shall be construed to limit the authority of the executive branch in the use of military personnel or equipment for civilian law enforcement purposes beyond that provided by law prior to the enactment of this chapter."

(2) The tables of chapters at the beginning of subtitle A of such title and at the beginning of part I of subtitle A of such title are amended by adding after the item relating to chapter 17 the following new item:

"18. Military Cooperation with Civilian Law Enforcement Officials 371".

(b) Not later than 30 days after the end of the 180-day period beginning on the date of the enactment of this Act, the Secretary of Defense shall submit a comprehensive report to Congress on the operation through the end of such period of chapter 18 of title 10, United States Code (as added by subsection (a)). Such report shall include findings of the Secretary concerning the effect of assistance provided under such chapter.

DETERMINATION OF CHARGES FOR CHAMPUS PAYMENTS

SEC. 906. (a)(1) Subsection (h) of section 1079 of title 10, United States Code, is amended to read as follows:

"(h)(1) Payment for a charge for services by an individual health-care professional (or other noninstitutional health-care provider) for which a claim is submitted under a plan contracted for under subsection (a) may be denied only to the extent that the charge exceeds the amount equivalent to the 90th percentile of billed charges made for similar services in the same locality during the base period.

"(2) For the purposes of paragraph (1), the 90th percentile of charges shall be determined by the Secretary of Defense, in consultation with the Secretary of Health and Human Services, and the base period shall be a period of twelve calendar months. The base period shall be adjusted at least once a year."

(2) Section 1086(f) of such title is amended by striking out "physician services" and inserting in lieu thereof "services by an individual health-care professional (or other noninstitutional health-care provider)".

(b) The amendments made by subsection (a) shall apply with respect to claims submitted for payment for services provided after the end of the 30-day period beginning on the date of the enactment of this Act.

INCREASES IN DOLLAR THRESHOLDS FOR CERTAIN DEFENSE CONTRACT REGULATIONS

SEC. 907. (a) Sections 2304(a)(3) and 2304(g) of title 10, United States Code, are amended by striking out "\$10,000" and inserting in lieu thereof "\$25,000".

(b) Section 2306(f)(1) of such title is amended by striking out "\$100,000" each place it appears and inserting in lieu thereof "\$500,000".

(c) Section 2311 of such title is amended by striking out "\$100,000" and inserting in lieu thereof "\$5,000,000".

PROCUREMENT OF AUTOMATIC DATA PROCESSING EQUIPMENT

SEC. 908. (a)(1) Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2315. Law inapplicable to the procurement of automatic data processing equipment and services for certain defense purposes

"(a) Section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 795) is not applicable to the procurement by the Department of Defense of automatic data processing equipment or services if the function, operation, or use of the equipment or services—

"(1) involves intelligence activities;

"(2) involves cryptologic activities related to national security;

"(3) involves the command and control of military forces;

"(4) involves equipment that is an integral part of a weapon or weapons system; or

"(5) subject to subsection (b), is critical to the direct fulfillment of military or intelligence missions.

"(b) Subsection (a)(5) does not include procurement of automatic data processing equipment or services to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications)."

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2315. Law inapplicable to the procurement of automatic data processing equipment and services for certain defense purposes."

(b) Section 2315 of title 10, United States Code, as added by subsection (a), does not apply to a contract made before the date of the enactment of this Act.

MULTIYEAR PROCUREMENT

SEC. 909. (a) Section 2301 of title 10, United States Code, is amended—

(1) by striking out "It is" and inserting in lieu thereof "(b) It is also"; and

(2) by inserting after the section heading the following:

"(a)(1) The Congress finds that in order to ensure national defense preparedness, to conserve fiscal resources, and to enhance defense production capability, it is in the interest of the United States to acquire property and services for the Department of Defense in the most timely, economic, and efficient manner. It is therefore the policy of the Congress that services and property (including weapon systems and associated items) for the Department of Defense be acquired by any kind of contract, other than cost-plus-a-percentage-of-cost contracts, but including multiyear contracts, that will promote the interest of the United States. Further, it is the policy of the Congress that such contracts, when practicable, provide for the purchase of property at times and in quantities that will result in reduced costs to the Government and provide incentives to contractors to improve productivity through investment in capital facilities, equipment, and advanced technology.

"(2) It is also the policy of the Congress that contracts for advance procurement of components, parts, and materials necessary for manufacture or for logistics support of a weapon system should, if feasible and practicable, be entered into in a manner to achieve economic-lot purchases and more efficient production rates."

(b) Section 2306 of such title is amended—

(1) by striking out "to be performed outside the forty-eight contiguous States and the District of Columbia" in subsection (g); and

(2) by adding at the end thereof the following new subsection:

"(h)(1) To the extent that funds are otherwise available for obligation, the head of an agency may make multiyear contracts (other than contracts described in paragraph (6)) for the purchase of property, including weapon systems and items and services associated with weapon systems (or the logistics support thereof), whenever he finds—

"(A) that the use of such a contract will promote the national security of the United States and will result in reduced total costs under the contract;

"(B) that the minimum need for the property to be purchased is expected to remain substantially unchanged during the contemplated contract period in terms of production rate, procurement rate, and total quantities;

"(C) that there is a reasonable expectation that throughout the contemplated contract period the Department of Defense will request funding for the contract at the level required to avoid contract cancellation;

"(D) that there is a stable design for the property to be acquired and that the technical risks associated with such property are not excessive; and

"(E) that the estimates of both the cost of the contract and the anticipated cost avoidance through the use of a multiyear contract are realistic.

"(2)(A) The Secretary of Defense shall prescribe defense acquisition regulations to promote the use of multiyear contracting as authorized by paragraph (1) in a manner that will allow the most efficient use of multiyear contracting.

"(B) Such regulations may provide for cancellation provisions in such multiyear contracts to the extent that such provisions are necessary and in the best interests of the United States. Such cancellation provisions may include consideration of both recurring and nonrecurring costs of the contractor associated with the production of the items to be delivered under the contract.

"(C) In order to broaden the defense industrial base, such regulations shall provide that, to the extent practicable—

"(i) multiyear contracting under paragraph (1) shall be used in such a manner as to seek, retain, and promote the use under such contracts of companies that are subcontractors, vendors, or suppliers; and

"(ii) upon accrual of any payment or other benefit under such a multiyear contract to any subcontractor, vendor, or supplier company participating in such contract, such payment or benefit shall be delivered to such company in the most expeditious manner practicable.

"(D) Such regulations shall also provide that, to the extent practicable, the administration of this subsection, and of the regulations prescribed under this subsection, shall not be carried out in a manner to preclude or curtail the existing ability of agencies in the Department of Defense to—

"(i) provide for competition in the production of items to be delivered under such a contract; or

"(ii) provide for termination of a prime contract the performance of which is deficient with respect to cost, quality, or schedule.

"(3) Before any contract described in paragraph (1) that contains a clause setting forth a cancellation ceiling in excess of \$100,000,000 may be awarded, the head of the agency concerned shall give written notification of the proposed contract and of the proposed cancellation ceiling for that contract to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives, and such contract may not then be awarded until the end of a period of 30 days beginning on the date of such notification.

"(4) Contracts made under this subsection may be used for the advance procurement of components, parts, and materials necessary to the manufacture of a weapon system, and contracts may be made under this subsection for such advance procurement, if feasible and practical, in order to achieve economic-lot purchases and more efficient production rates.

"(5) In the event funds are not made available for the continuation of a contract made under this subsection into a subsequent fiscal year, the contract shall be canceled or terminated, and the costs of cancellation or termination may be paid from—

"(A) appropriations originally available for the performance of the contract concerned;

"(B) appropriations currently available for procurement of the type of property concerned, and not otherwise obligated; or

"(C) funds appropriated for those payments.

"(6) This subsection does not apply to contracts for the construction, alteration, or major repair of improvements to real property or contracts for the purchase of property to which section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) applies.

"(7) This subsection does not apply to the Coast Guard or the National Aeronautics and Space Administration.

"(8) For the purposes of this subsection, a multiyear contract is a contract for the purchase of property or services for more than one, but not more than five, program years. Such a contract may provide that performance under the contract during the second and subsequent years of the contract is contingent upon the appropriation of funds and (if it does so provide) may provide for a cancellation payment to be made to the contractor if such appropriations are not made."

(c) Section 139(c) of such title is amended—

(1) by striking out "and" at the end of clause (2);

(2) by striking out the period at the end of clause (3) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(4) the most efficient production rate and the most efficient acquisition rate consistent with the program priority established for such weapon system by the Secretary concerned."

(d) Not later than the end of the 90-day period beginning on the date of the enactment of this Act—

(1) the Secretary of Defense shall issue such modifications to existing regulations governing defense acquisitions as may be necessary to implement the amendments made by subsections (a), (b), and (c); and

(2) the Director of the Office of Management and Budget shall issue such modifications to existing Office of Management and Budget directives as may be necessary to take into account the amendments made by subsections (a) and (b).

(e) Section 810 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 89 Stat. 539), is repealed.

(f) Section 2311 of title 10, United States Code, is amended—

(1) by striking out "(1)"; and

(2) by striking out ", and (2) authorizing contracts in excess of three years under section 2306(g) of this title".

RESEARCH GRANTS

SEC. 910. Section 2358(1) of title 10, United States Code, is amended by inserting "; or by grant to," after "by contract with".

MODIFICATION OF DEFENSE CONTRACT PROFIT LIMITATION PROVISIONS

SEC. 911. (a)(1) Section 2382 of title 10, United States Code, is amended to read as follows:

"§ 2382. Contract profit controls during emergency periods

"(a)(1) Upon a declaration of war by Congress or a declaration of national emergency by the President or by Congress, the President is authorized to prescribe such regulations to control excessive profits on defense contracts as he determines are necessary during the

period of such war or national emergency. Such regulations shall be prescribed only after consultation with the Secretary of Defense, the Secretary of the Treasury, and the Secretary of Commerce and shall apply to appropriate defense contracts and subcontracts (as determined by the President), and to appropriate major modifications of defense contracts and subcontracts (as determined by the President), that are entered into during such war or national emergency. Such regulations, if prescribed by the President, shall be transmitted to Congress within sixty days after the declaration of such war or national emergency. Any material amendment to such regulations shall be prescribed in the same manner and shall promptly be submitted to Congress.

"(2) Such regulations, if prescribed by the President, shall set forth standards and procedures for determining what constitutes excessive profits and shall establish thresholds for coverage of contracts and exemptions (including contracts awarded under competition and contracts for standard commercial articles and services) that will minimize administrative expenses and not impose unfair burdens on contractors.

"(3) In this subsection, 'excessive profits' means profits that are unconscionable or amount to an unjust enrichment of contractors or subcontractors, as determined under such regulations as may be prescribed by the President under subsection (a), taking into consideration all relevant circumstances, including the character of the business, complexity of the work or services performed under the contract or subcontract, the amount of assets and capital required to perform the contract or subcontract, and the extent to which profit limitations are imposed on non-defense contractors.

"(b) Regulations transmitted by the President under subsection (a) (including any material amendment to such regulations) shall take effect unless both Houses of Congress, within sixty legislative days after the date upon which the President transmits the regulations, adopt a concurrent resolution stating in substance that the Congress disapproves the regulations. For the purposes of the preceding sentence, a legislative day is a day on which either House of Congress is in session.

"(c) Regulations not disapproved by both Houses of Congress shall remain in effect for a period of not more than five years after the date on which they take effect unless they are extended by a concurrent resolution adopted by both Houses of the Congress before the date on which they would expire. Any such extension may not be for a period in excess of one year.

"(d) The United States Court of Claims shall have exclusive jurisdiction over claims arising from actions taken under this section and under regulations prescribed under this section.

"(e) The President shall transmit a report to Congress on the operation of this section at the end of each one-year period during which regulations issued under this section are in effect and at the end of any war or national emergency during which such regulations are in effect."

(2) The item relating to section 2382 in the table of sections at the beginning of chapter 141 of title 10, United States Code, is amended to read as follows:

"2382. Contract profit controls during emergency periods."

(b)(1) Section 7300 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 633 of such title is amended by striking out the item relating to section 7300.

(c) No regulation may be issued or other action taken for the purpose of enforcing any provision of section 2382 or section 7300 of title 10, United States Code, with respect to any contract entered into during the period beginning on October 1, 1976, and ending on the date of the enactment of this Act.

MILITARY BASE REUSE STUDIES AND COMMUNITY PLANNING
ASSISTANCE

SEC. 912. (a)(1) Chapter 141 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2391. Military base reuse studies and community planning assistance

"(a) Whenever the Secretary of Defense or the Secretary of the military department concerned publicly announces that a military installation is a candidate for closure or that a final decision has been made to close a military installation and the Secretary of Defense determines, because of the location, facilities, or other particular characteristics of the installation, that the installation may be suitable for some specific Federal, State, or local use potentially beneficial to the Nation, the Secretary of Defense may conduct such studies, including the preparation of an environmental impact statement in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), in connection with such installation and such potential use as may be necessary to provide information sufficient to make sound conclusions and recommendations regarding the possible use of the installation.

"(b)(1) The Secretary of Defense may make grants, conclude cooperative agreements, and supplement funds made available under Federal programs administered by agencies other than the Department of Defense in order to assist State and local governments, and regional organizations composed of State and local governments, in planning community adjustments required (A) by the proposed or actual establishment, realignment, or closure of a military installation, or (B) by the cancellation or termination of a Department of Defense contract or the failure to proceed with an approved major weapon system program, if the Secretary of Defense determines that the action is likely to impose a significant impact on the affected community.

"(2) In the case of the establishment or expansion of a military installation, assistance may be made under paragraph (1) only if (A) community impact assistance or special impact assistance is not otherwise available, and (B) the establishment or expansion involves the assignment to the installation of (i) more than 2,500 military, civilian, and contractor Department of Defense personnel, or (ii) more military, civilian, and contractor Department of Defense personnel than the number equal to ten percent of the number of persons employed in counties or independent municipalities within fifteen miles of the installation, whichever is lesser.

"(3) In the case of the cancellation or termination of a Department of Defense contract or the failure to proceed with an approved major weapon system program, assistance may be made under para-

graph (1) only if the cancellation, termination, or failure to proceed involves the loss of 2,500 or more full-time Department of Defense and contractor employee positions in the locality of the affected community.

"(4) Funds provided to State and local governments and regional organizations under this section may be used as part or all of any required non-Federal contribution to a Federal grant-in-aid program for the purposes stated in paragraph (1).

"(5) Not more than \$2,000,000 in assistance may be provided under this subsection in any fiscal year.

"(c) The Secretary of Defense shall submit a report not later than December 1 of each year to the Committees on Armed Services of the Senate and House of Representatives concerning the operation of this section during the preceding fiscal year. Each such report shall identify each State, unit of local government, and regional organization that received a grant under this section during such fiscal year and the total amount granted under this section during such year to each such State, unit of local government, and regional organization.

"(d) In this section, 'military installation' means any camp, post, station, base, yard, or other installation under the jurisdiction of a military department that is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or Guam.

"(e) The authority of the Secretary of Defense to make grants under this section in any fiscal year is subject to the availability of appropriations for that purpose."

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2391. Military base reuse studies and community planning assistance."

(b) Section 610 of the Military Construction Authorization Act, 1977 (Public Law 94-431; 90 Stat. 1365), is repealed.

(c) The first report under subsection (c) of section 2391 of title 10, United States Code, as added by subsection (a), shall be submitted not later than December 1, 1982.

PROHIBITION ON USE OF FUNDS TO RELIEVE ECONOMIC DISLOCATIONS

SEC. 913. (a)(1) Chapter 141 of title 10, United States Code, is amended by adding after section 2391 (as added by section 912) the following new section:

"§ 2392. Prohibition on use of funds to relieve economic dislocations

"(a) In order to help avoid the uneconomic use of Department of Defense funds in the procurement of goods and services, the Congress finds that it is necessary to prohibit the use of such funds for certain purposes.

"(b) No funds appropriated to or for the use of the Department of Defense may be used to pay, in connection with any contract awarded by the Department of Defense, a price differential for the purpose of relieving economic dislocations."

(2) The table of sections at the beginning of chapter 141 of such title is amended by adding after the item relating to section 2391 (as added by section 912) the following new item:

"2392. Prohibition on use of funds to relieve economic dislocations."

(b) *The Secretary of Defense may conduct a test program during fiscal year 1982 in accordance with this subsection to test the effect of exempting certain contracts of the Department of Defense from the provisions of section 2392 of title 10, United States Code (as added by the amendments made by subsection (a)), and paying a price differential under such contracts for the purpose of relieving economic dislocations. Under such test program, the Secretary of Defense may exempt from the provisions of such section any contract (other than a contract for the purchase of fuel) made by the Defense Logistics Agency during fiscal year 1982 if the Secretary determines—*

(1) that the payment of a price differential under such contract will not adversely affect the national security of the United States;

(2) that there is a reasonable expectation that bids will be received from a sufficient number of responsible bidders so that the award of such contract will be made at reasonable cost to the United States;

(3) that the price differential to be paid under such contract will not exceed 5 percent; and

(4) the value of such contract, when added to the cumulative value of all other contracts awarded under the test program, will not exceed \$3,400,000,000.

(c) Not later than April 15, 1982, the President shall submit a report to Congress on the implementation and results to that date of the test program authorized by subsection (b). The report shall include an assessment of the costs and benefits of the test program.

PROHIBITION AGAINST DOING BUSINESS WITH CERTAIN OFFERORS OR CONTRACTORS

SEC. 914. (a) Chapter 141 of title 10, United States Code, is amended by adding after section 2392 (as added by section 913) the following new section:

“§ 2393. Prohibition against doing business with certain offerors or contractors

“(a)(1) Except as provided in paragraph (2), the Secretary of a military department may not solicit an offer from, award a contract to, extend an existing contract with, or, when approval by the Secretary of the award of a subcontract is required, approve the award of a subcontract to, an offeror or contractor which to the Secretary’s knowledge has been debarred or suspended by another Federal agency unless—

“(A) in the case of a debarment, the debarment of the offeror or contractor by all other agencies has been terminated or the period of time specified for such debarment has expired; and

“(B) in the case of a suspension, the period of time specified by all other agencies for the suspension of the offeror or contractor has expired.

“(2) Paragraph (1) does not apply in any case in which the Secretary concerned determines that there is a compelling reason to solicit an offer from, award a contract to, extend a contract with, or approve a subcontract with such offeror or contractor.

"(b) Whenever the Secretary concerned makes a determination described in subsection (a)(2), he shall, at the time of the determination, transmit a notice to the Administrator of General Services describing the determination. The Administrator of General Services shall maintain each such notice in a file available for public inspection.

"(c) In this section:

"(1) 'Debar' means to exclude, pursuant to established administrative procedures, from Government contracting and subcontracting for a specified period of time commensurate with the seriousness of the failure or offense or the inadequacy of performance.

"(2) 'Suspend' means to disqualify, pursuant to established administrative procedures, from Government contracting and subcontracting for a temporary period of time because a concern or individual is suspected of engaging in criminal, fraudulent, or seriously improper conduct."

(b) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2392 (as added by section 913) the following new item:

"2393. Prohibition against doing business with certain offerors or contractors."

CIVIL RESERVE AIR FLEET

SEC. 915. Chapter 931 of title 10, United States Code, is amended—

(1) by inserting after the chapter heading the following:

| | Subchapter | Sec. |
|-----------------------------------|------------|------|
| "I. General | | 9501 |
| "II. Civil Reserve Air Fleet..... | | 9511 |

"SUBCHAPTER I—GENERAL"; and

(2) by adding at the end thereof the following new subchapter:

"SUBCHAPTER II—CIVIL RESERVE AIR FLEET

"9511. Definitions.

"9512. Contracts to modify aircraft: cargo-convertible features.

"9513. Contracts to modify aircraft: commitment of aircraft to Civil Reserve Air Fleet.

"§ 9511. Definitions

"In this subchapter:

"(1) 'Aircraft', 'citizen of the United States', 'person', and 'public aircraft' have the meaning given those terms by section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301).

"(2) 'Cargo air service' means the carriage of property or mail on the main deck of a civil aircraft.

"(3) 'Cargo-capable aircraft' means a civil aircraft equipped so that all or substantially all of the aircraft's capacity can be used for the carriage of property or mail.

"(4) 'Passenger aircraft' means a civil aircraft equipped so that its main deck can be used for the carriage of individuals and cannot be used principally, without major modification, for the carriage of property or mail.

"(5) 'Cargo-convertible feature' means equipment or design features included or incorporated in a passenger aircraft that can readily enable all or substantially all of that aircraft's main deck to be used for the carriage of property or mail.

"(6) 'Civil aircraft' means an aircraft other than a public aircraft.

"(7) 'Civil Reserve Air Fleet' means those aircraft allocated, or identified for allocation, to the Department of Defense under section 101 of the Defense Production Act of 1950 (50 U.S.C. App. 2071), or made available (or agreed to be made available) for use by the Department of Defense under a contract made under this title, as part of the program developed by the Department of Defense through which the Department of Defense augments its airlift capability by use of civil aircraft.

"(8) 'Contractor' means a citizen of the United States (A) who owns or controls, or who will own or control, a civil aircraft and who contracts with the Secretary of the Air Force to modify that aircraft by including or incorporating cargo-convertible features suitable for defense purposes in that aircraft and to commit that aircraft to the Civil Reserve Air Fleet, or (B) who subsequently obtains ownership or control of a civil aircraft covered by such a contract and assumes all existing obligations under that contract.

"(9) 'Existing aircraft' means a civil aircraft other than a new aircraft.

"(10) 'New aircraft' means a civil aircraft that a manufacturer has not begun to assemble before the aircraft is covered by a contract under section 9512 of this title.

"(11) 'Secretary' means the Secretary of the Air Force.

"§ 9512. Contracts to modify aircraft: cargo-convertible features

"(a) Subject to chapter 137 of this title, and to the extent that funds are otherwise available for obligation, the Secretary may contract with any citizen of the United States (1) for the modification of any new aircraft to be owned or controlled by that citizen by the inclusion of cargo-convertible features suitable for defense purposes in that aircraft, or (2) for the modification of any existing passenger aircraft owned or controlled by that citizen by the incorporation of cargo-convertible features suitable for defense purposes in that aircraft.

"(b) Each contract made under subsection (a) shall include the terms required by section 9513 of this title and the following terms:

"(1) The contractor shall agree that each aircraft covered by the contract that is not already registered under section 501 of the Federal Aviation Act of 1958 (49 U.S.C. 1401) shall be registered under that section not later than the completion of the manufacture of the aircraft or the completion of the modification of the aircraft under the contract.

"(2) The contractor shall agree to repay to the United States a percentage (to be established in the contract) of any amount

paid by the United States to the contractor under the contract with respect to any aircraft if—

“(A) the aircraft is destroyed or becomes unusable, as defined in the contract;

“(B) the cargo-convertible features specified in the contract are rendered unusable or removed from the aircraft;

“(C) control over the aircraft is transferred to any person that is unable or unwilling to assume the contractor's obligations under the contract;

“(D) the registration of the aircraft under section 501 of the Federal Aviation Act of 1958 is terminated for any reason not beyond the control of the contractor; or

“(E) having agreed in the contract that the main deck of the aircraft will not be used for cargo air service, the contractor uses, or permits the use of, the main deck of the aircraft for cargo air service.

“(c) A contract made under subsection (a) with respect to any aircraft may include the following terms:

“(1) If the contractor agrees that the main deck of the aircraft will not be used in cargo air service, the Secretary may agree to pay the contractor—

“(A) an amount not to exceed 100 percent of the cost of modifying the aircraft to include or incorporate cargo-convertible features suitable for defense purposes in that aircraft, as described in subsection (a);

“(B) an amount to compensate the contractor for the loss of use of the aircraft during the time required to make such modification, such amount to be determined by taking into consideration the fair market rental cost of a similar aircraft (not including crews, ground facilities, or other support costs) for that time, the estimated loss of revenue by the contractor attributable to the aircraft being out of service during that time, and such other factors as the Secretary considers appropriate; and

“(C) in the case of an existing aircraft, 100 percent of the cost of positioning the aircraft for modification, recertification of that aircraft after modification, returning that aircraft to service, and other costs directly associated with the modification.

“(2) If the contractor does not agree that the main deck of the aircraft will not be used for cargo air service, the Secretary may agree to pay the contractor an amount not to exceed 50 percent of the cost of modifying the aircraft to include or incorporate cargo-convertible features suitable for defense purposes.

“(3) The Secretary may under the contract be authorized to contract directly with a person chosen by the contractor to perform the modification of the aircraft to include or incorporate cargo-convertible features suitable for defense purposes in that aircraft and to pay to that person chosen by the contractor—

“(A) if the contractor agrees that the main deck of that aircraft will not be used for cargo air service, an amount less than or equal to the amount to which the contractor would otherwise be entitled under paragraph (1)(A); or

“(B) if the contractor does not agree that the main deck of that aircraft will not be used for cargo air service, an

amount less than or equal to the amount to which the contractor would otherwise be entitled to under paragraph (2).

"(d) In addition to any amount the Secretary may agree under subsection (c)(1) or (c)(3)(A) to pay under a contract made under subsection (a), the Secretary may agree under such a contract that, if the contractor agrees that the main deck of the aircraft will not be used in cargo air service, the Secretary shall make a lump sum or annual payments (or a combination thereof) to the contractor to cover any increased costs of operation or any loss of revenue attributable to the inclusion or incorporation of cargo-convertible features suitable for defense purposes in the aircraft.

"(e)(1) Subject to paragraph (2), the Secretary may agree, in any contract made under subsection (a), to pay the contractor an amount for any loss resulting from the subsequent sale of an aircraft modified under that contract if the sale of that aircraft is for a price less than the fair market value, at the time of the sale, of an aircraft substantially similar to the aircraft being sold but without the cargo-convertible features.

"(2) The Secretary may not agree to make a payment under this subsection with respect to the sale of a modified aircraft unless—

"(A) the sale is within 16 years and 6 months after the modified aircraft was initially delivered by the manufacturer to its original owner, in the case of an aircraft that was modified during manufacture, or by the modifier to the owner at the time of modification, in the case of an aircraft that was modified after manufacture;

"(B) the Secretary received written notice of the proposed sale at least 60 days before the sale;

"(C) the contractor used its best efforts to obtain bids for the purchase of the aircraft;

"(D) the sale is a bona fide, arm's-length transaction made to the highest bidder for a price that is less than the fair market value of an aircraft substantially similar to the modified aircraft but without the cargo-convertible features; and

"(E) before the sale the Secretary was given an opportunity to and refused to purchase the modified aircraft for a price equal to the fair market value, at the time of the sale, of an aircraft substantially similar to the modified aircraft but without the cargo-convertible features.

"(3) Any amount that may be payable under a contract provision made under this subsection may not exceed the difference between (A) the sales price of the modified aircraft, and (B) the fair market value, at the time of the sale, of an aircraft substantially similar to the modified aircraft but without the cargo-convertible features included or incorporated into the modified aircraft under the contract.

"(4) The Secretary may use any funds appropriated for Air Force procurement for fiscal year 1982 or thereafter to pay any obligation under a contract provision made under this subsection.

"§ 9513. Contracts to modify aircraft: commitment of aircraft to Civil Reserve Air Fleet

"(a) Each contract under section 9512 of this title shall provide—

"(1) that any aircraft covered by the contract shall be committed to the Civil Reserve Air Fleet;

"(2) that, so long as the aircraft is owned or controlled by a contractor, the contractor shall operate the aircraft for the Department of Defense as needed during any activation of the full Civil Reserve Air Fleet, notwithstanding any other contract or commitment of that contractor; and

"(3) that the contractor operating the aircraft for the Department of Defense shall be paid for that operation at fair and reasonable rates.

"(b) Notwithstanding section 101 of the Defense Production Act of 1950 (50 U.S.C. App. 2071), each aircraft covered by a contract under section 9512 of this title shall be committed exclusively to the Civil Reserve Air Fleet for use by the Department of Defense as needed during any activation of the full Civil Reserve Air Fleet unless the aircraft is released from that use by the Secretary of Defense."

FACILITATION OF SELECTIVE SERVICE REGISTRATION AND OF MILITARY RECRUITING

SEC. 916. (a) Section 3 of the Military Selective Service Act (50 U.S.C. App. 453) is amended—

(1) by inserting "(a)" after "SEC. 3."; and

(2) by adding at the end thereof the following new subsection:

"(b) Regulations prescribed pursuant to subsection (a) may require that persons presenting themselves for and submitting to registration under this section provide, as part of such registration, such identifying information (including date of birth, address, and social security account number) as such regulations may prescribe."

(b) Section 12 of such Act (50 U.S.C. App. 462) is amended by adding at the end thereof the following new subsection:

"(e) The President may require the Secretary of Health and Human Services to furnish to the Director, from records available to the Secretary, the following information with respect to individuals who are members of any group of individuals required by a proclamation of the President under section 3 to present themselves for and submit to registration under such section: name, date of birth, social security account number, and address. Information furnished to the Director by the Secretary under this subsection shall be used only for the purpose of the enforcement of this Act."

(c) Section 15 of such Act (50 U.S.C. App. 465) is amended by adding at the end thereof the following new subsection:

"(e) In order to assist the Armed Forces in recruiting individuals for voluntary service in the Armed Forces, the Director shall, upon the request of the Secretary of Defense or the Secretary of Transportation, furnish to the Secretary the names and addresses of individuals registered under this Act. Names and addresses furnished pursuant to the preceding sentence may be used by the Secretary of Defense or Secretary of Transportation only for recruiting purposes."

REPORTS ON UNIT COSTS OF MAJOR DEFENSE SYSTEMS

SEC. 917. (a)(1) The program manager (as designated by the Secretary concerned) for each major defense system included in the Selected Acquisition Report dated March 31, 1981, and submitted to the Congress pursuant to section 811 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 10

U.S.C. 139 note), shall submit to the Secretary concerned, within seven days after the end of each quarter of fiscal year 1982, a written report on the major defense system included in such selected acquisition report for which such manager has responsibility. The program manager shall include in each such report—

(A) the total program acquisition unit cost for such major defense system as of the last day of such quarter; and

(B) in the case of a major defense system for which procurement funds are authorized to be appropriated by this Act, the current procurement unit cost for such major defense system as of the last day of such quarter.

(2) If at any time during any quarter of fiscal year 1982, the program manager of a major defense system referred to in paragraph (1) has reasonable cause to believe that (A) the total program acquisition unit cost, or (B) in the case of a major defense system for which procurement funds are authorized to be appropriated by this Act, the current procurement unit cost has exceeded the applicable percentage increase specified in subsection (b), such manager shall immediately submit to the Secretary concerned a report containing the information, as of the date of such report, required by paragraph (1).

(3) The program manager shall also include in each report submitted pursuant to paragraph (1) or (2) any change from the Selected Acquisition Report of March 31, 1981, in schedule milestones or system performances with respect to such system that are known, expected, or anticipated by such manager.

(b)(1) If the Secretary concerned determines, on the basis of any report submitted to him pursuant to subsection (a), that the total program acquisition unit cost (including any increase for expected inflation) for any major defense system for which no procurement funds are authorized to be appropriated by this Act has increased by more than 15 percent over the total program acquisition unit cost for such system reflected in the Selected Acquisition Report of March 31, 1981, then (except as provided in paragraph (3)) no additional funds may be obligated in connection with such system after the end of the 30-day period beginning on the day on which the Secretary makes such determination. The Secretary shall notify the Congress promptly in writing of such increase upon making such a determination with respect to any such major defense system and shall include in such notice the date on which such determination was made.

(2) If the Secretary concerned determines, on the basis of a report submitted to him pursuant to subsection (a), that—

(A) the procurement unit cost of a major defense system for which procurement funds are authorized to be appropriated by this Act has increased by more than 15 percent over the procurement unit cost derived from the Selected Acquisition Report of March 31, 1981, or

(B) the total program acquisition unit cost (including any increase for expected inflation) of such system has increased by more than 15 percent over the total program acquisition unit cost for such system as reflected in the Selected Acquisition Report of March 31, 1981,

then (except as provided in paragraph (3)) no additional funds may be obligated in connection with such system after the end of the 30-

day period beginning on the day on which the Secretary makes such determination. The Secretary shall notify the Congress promptly in writing of such increase upon making such a determination with respect to any such major defense system and shall include in such notice the date on which such determination was made.

(3) The prohibition contained in paragraphs (1) and (2) on the obligation of funds shall not apply in the case of any major defense system to which such prohibition would otherwise apply if the Secretary concerned submits to the Congress, before the end of the 30-day period referred to in paragraph (1) or (2), a written report which includes—

(A) a statement of the reasons for such increase in total program acquisition unit cost or procurement unit cost;

(B) the identities of the military and civilian officers responsible for program management and cost control of the major defense system;

(C) the action taken and proposed to be taken to control future cost growth of such system;

(D) any changes made in the performance or schedule milestones of such system and the degree to which such changes have contributed to the increase in total program acquisition unit cost or procurement unit cost;

(E) the identities of the principal contractors for the major defense system; and

(F) an index of all testimony and documents formally provided to the Congress on the estimated cost of such system.

(c)(1) If the Secretary concerned—

(A) on the basis of a report submitted to him pursuant to subsection (a), determines (i) that the total program acquisition unit cost (including any increase for expected inflation) for a major defense system has increased by more than 25 percent over the total program acquisition unit cost or such system reflected in the Selected Acquisition Report of March 31, 1981, or (ii) in the case of any such system for which procurement funds are authorized to be appropriated by this Act, that the current procurement unit cost of such system has increased by more than 25 percent over the procurement unit cost derived from the Selected Acquisition Report of March 31, 1981, and

(B) has submitted a report to the Congress with respect to such system pursuant to subsection (b)(3),

then (except as provided in paragraph (2)) no additional funds may be obligated in connection with such system after the end of the 60-day period beginning on the day on which the Secretary makes such determination.

(2) The prohibition contained in paragraph (1) on the obligation of funds shall not apply in the case of a major defense system to which such prohibition would otherwise apply if the Secretary of Defense submits to the Congress, before the end of the 60-day period referred to in such paragraph, a written certification stating that—

(A) such system is essential to the national security;

(B) there are no alternatives to such system which will provide equal or greater military capability at less cost;

(C) the new estimates of the total program acquisition unit cost or procurement unit cost are reasonable; and

(D) the management structure for such major defense system is adequate to manage and control total program acquisition unit cost or procurement unit cost.

(d) As used in this section:

(1) The term "total program acquisition unit cost" means, in the case of a major defense system, the amount equal to (A) the total cost for development and procurement of, and system-specific military construction for, such system, divided by (B) the number of fully configured end items to be produced for such system.

(2) The term "procurement unit cost" means, in the case of a major defense system, the amount equal to (A) the total of all procurement funds available for such system in any fiscal year, divided by (B) the number of fully-configured end items to be procured with such funds during such fiscal year.

(3) The term "Secretary concerned" has the same meaning as provided in section 101(8) of title 10, United States Code.

(e) Section 811 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 139 note), is amended by adding at the end thereof the following new subsection:

"(c)(1) Each report required to be submitted under subsection (a) shall include the history of the total program acquisition unit cost of each major defense system from the date on which funds were first authorized to be appropriated for such system.

"(2) As used in this subsection, the term 'total program acquisition unit cost' means the amount equal to (A) the total cost for development and procurement of, and system-specific military construction for, a major defense system, divided by (B) the number of fully configured end items to be produced for such system."

RECOMMENDATIONS WITH RESPECT TO THE ELIMINATION OF WASTE, FRAUD, ABUSE, AND MISMANAGEMENT IN THE DEPARTMENT OF DEFENSE

SEC. 918. (a) Not later than January 15, 1982, the Secretary of Defense shall submit to Congress a report containing such recommendations as he considers necessary or appropriate to improve the efficiency and management of, and to eliminate waste, fraud, abuse, and mismanagement in, the operation of the Department of Defense.

(b) In the report required by subsection (a), the Secretary of Defense shall—

(1) set forth each recommendation by the Comptroller General since October 1, 1980, for the elimination of waste, fraud, abuse, or mismanagement in the Department of Defense; and

(2) provide a statement of—

(A) which recommendations set forth pursuant to paragraph (1) have been adopted and, to the extent practicable, the actual and projected cost savings from each; and

(B) which recommendations set forth pursuant to paragraph (1) have not been adopted and, to the extent practicable, the projected cost savings from each and an explanation of why each such recommendation has not been adopted.

(c) Not later than January 15, 1983, the Secretary of Defense shall submit to Congress a report—

(1) that sets forth each recommendation by the Comptroller General since January 1, 1979, for the elimination of waste, fraud, abuse, or mismanagement in the Department of Defense; and

(2) that provides a statement of—

(A) which recommendations set forth pursuant to paragraph (1) have been adopted and, to the extent practicable, the actual and projected cost savings from each; and

(B) which recommendations set forth pursuant to paragraph (1) have not been adopted and, to the extent practicable, the projected cost savings from each and an explanation of why each such recommendation has not been adopted.

REPORT ON CONTRIBUTIONS TO THE COMMON DEFENSE

SEC. 919. Section 1006(c) of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 94 Stat. 1120), is amended—

(1) by striking out "March 1, 1981" and inserting in lieu thereof "March 1, 1982"; and

(2) by striking out "fiscal year 1981" both places it appears and inserting in lieu thereof "fiscal year 1982".

ASSISTANCE TO YORKTOWN BICENTENNIAL CELEBRATION

SEC. 920. (a) Notwithstanding any other provision of law, the Secretary of Defense is authorized, in connection with the observance on October 19, 1981, of the two-hundredth anniversary of the surrender of Lord Cornwallis to General George Washington at Yorktown, Virginia, which date has been proclaimed by Public Law 96-414 (94 Stat. 1724) as a National Day of Observance of that historic event—

(1) to provide logistical support and personnel services for the national observance of such event;

(2) to lend and provide equipment to officials of the Yorktown Bicentennial Committee as requested by the Secretary of the Interior; and

(3) to provide such other services as the Secretary of the Interior may consider necessary and the Secretary of Defense may consider advisable.

(b) There is authorized to be appropriated to the Secretary of Defense an amount not to exceed \$750,000 for the purpose of carrying out subsection (a).

(c) No funds may be obligated or expended for carrying out the purposes of subsection (a) unless such funds have been specifically appropriated for such purposes.

*And the House agree to the same.
That the Senate recede from its disagreement to the amendment
of the House to the title of the bill and agree to the same.*

MELVIN PRICE,
CHARLES E. BENNETT,
SAMUEL STRATTON,
RICHARD C. WHITE,
BILL NICHOLS,
JACK BRINKLEY,
ROBERT H. MOLLOHAN,
DAN DANIEL,
WM. L. DICKINSON,
G. WILLIAM WHITEHURST,
FLOYD SPENCE,
ROBIN BEARD,
DON MITCHELL,
MARJORIE S. HOLT,

When differences regarding intelligence related activities are
under consideration:

EDWARD P. BOLAND,
NORMAN Y. MINETA,
ALBERT GORE, JR.,
J. KENNETH ROBINSON,

Solely for consideration of section 908 of the House amendment
and section 915 of the Senate bill:

BILL HUGHES,
ROMANO L. MAZZOLI,
SAM B. HALL, JR.,
HAROLD S. SAWYER,
ROBERT MCCLORY,

Managers on the Part of the House.

JOHN TOWER,
STROM THURMOND,
BARRY GOLDWATER,
J. WARNER,
GORDON J. HUMPHREY,
BILL COHEN,
ROGER W. JEPSEN,
DAN QUAYLE,
JEREMIAH DENTON,
JOHN C. STENNIS,
HENRY M. JACKSON,
HOWARD W. CANNON,
HARRY F. BYRD, JR.,
SAM NUNN,
GARY HART,
J. J. EXON,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 815) to authorize appropriations for fiscal year 1982, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to authorize appropriations for fiscal year 1982 for operations and maintenance expenses of the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1982 for civil defense, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SUMMARY STATEMENT OF CONFERENCE ACTION

The Senate passed its version of the Defense Authorization Act for fiscal year 1982 in May 1981. The House passed an amendment to such bill in July 1981. The Senate/House conferees convened on July 24, 1981.

Final conference action on S. 815 was considerably delayed by an unusually-timed budget revision submitted by the Administration and by delay in receiving Administration proposals on strategic programs. The new Administration had submitted a budget amendment on March 10, 1981, which involved substantial increases in the Defense request above the original fiscal year 1982 budget received in January, and the March 10 amendment formed the basis for developing the Senate bill and the House amendment thereto which were committed to conference.

Subsequent to the start of the conference, the Administration submitted on October 2 a revision to the budget request for the Department of Defense to incorporate changes deemed necessary as a result of the Administration's revised economic forecast and also to incorporate budget changes to implement the President's decisions on strategic programs. The revised authorization request of Octo-

ber, \$130,277.063 million, constituted a reduction of \$6,214.188 million from the President's March request and involved substantial downward revisions of procurement, RDT&E and other programs.

In view of the considerable delay already experienced and recognizing that final authorization and appropriations would not be enacted until well after the new fiscal year had already started, the conferees determined that extended further delay occasioned by further hearings would be too disruptive to the authorization and appropriations process and that, therefore, the conferees should work to approving a conference report that considered, to the extent possible, the new budget revisions.

The conferees determined that failure to take into account the substantial adjustment in authorizations requested as a result of the October budget revision would be inconsistent with the obligations of the authorization process. The conferees, therefore, determined that in light of the significant fiscal restraints already imposed on the Federal budget and the revised priorities in the Administration's submission of October, reductions had to be made in S. 815. Consequently, the conferees have reluctantly agreed to an authorization level that, in a number of authorization categories, is substantially below the amounts initially contained in either the Senate bill or the House amendment.

The conferees wish to emphasize their conviction that the authorization amounts initially committed to conference more nearly reflect the long term requirements for achieving the marked improvement in national defense posture that is needed, and the conferees wish to emphasize that the reductions effected in programs previously approved are without prejudice and driven by budget realities rather than a lessening of defense needs. Moreover, the conferees believe that any significant reductions beyond those agreed to by the conferees would seriously compromise the absolute necessity to revitalize our military forces.

The conferees have thus agreed to authorizations that, in the aggregate, total \$130,696.451 million, which is \$419.388 million above the President's October request, \$6,259.048 million below the authorization recommended in the Senate bill, and \$5,833.973 million below the authorization recommended in the House amendment.

SUMMARY OF CONFERENCE ACTION ON S. 815—DEPARTMENT OF DEFENSE AUTHORIZATION ACT,
1982

[Dollars in thousands]

| Item | March 1981 request | October 1981 amended request | House | Senate | Conference | Net change from October 1981 request |
|--------------------------------------|-----------------------|---------------------------------|------------|------------|------------|--|
| TITLE I | | | | | | |
| Procurement: | | | | | | |
| Army aircraft..... | 1,797,400 | 1,897,300 | 1,880,300 | 1,836,700 | 1,910,200 | + 12,900 |
| Navy/Marine Corps aircraft..... | 9,352,500 | 9,244,500 | 9,902,600 | 9,331,700 | 9,302,500 | + 58,000 |
| Air Force aircraft..... | 14,751,898 | 13,843,898 | 15,023,698 | 15,070,798 | 13,773,698 | - 70,200 |
| Army missiles..... | 2,842,500 | 2,210,200 | 2,745,800 | 2,469,100 | 2,146,900 | - 63,300 |
| Navy missiles..... | 2,555,000 | 2,567,000 | 2,549,800 | 2,555,000 | 2,567,000 | 0 |
| Marine Corps missiles.... | 223,024 | 223,024 | 223,024 | 223,024 | 223,024 | 0 |
| Air Force missiles..... | 4,658,246 | 4,204,646 | 4,593,246 | 4,731,746 | 4,186,846 | - 17,800 |
| Naval vessels..... | 10,290,100 | 8,475,300 | 10,290,100 | 10,118,600 | 8,795,900 | + 320,600 |
| Army tracked combat vehicles..... | 3,487,300 | 3,201,300 | 3,469,500 | 3,537,300 | 3,251,200 | + 49,900 |

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SUMMARY OF CONFERENCE ACTION ON S. 815—DEPARTMENT OF DEFENSE AUTHORIZATION ACT,
1982—Continued

[Dollars in thousands]

| Item | March 1981 request | October 1981 amended request | House | Senate | Conference | Net change from October 1981 request |
|---|-----------------------|---------------------------------|-------------|-------------|-------------|--|
| Procurement—Continued | | | | | | |
| Marine Corps tracked vehicles | 281,739 | 281,600 | 281,739 | 281,739 | 281,739 | + 139 |
| Torpedoes and related support equipment, Navy | 516,600 | 516,600 | 516,600 | 516,600 | 516,600 | 0 |
| Army other weapons | 655,400 | 655,400 | 655,400 | 655,400 | 655,400 | 0 |
| Navy other weapons | 200,200 | 200,200 | 200,200 | 200,200 | 200,200 | 0 |
| Marine Corps other weapons | 136,344 | 136,483 | 136,344 | 136,344 | 136,344 | - 139 |
| Air Force other weapons .. | 3,047 | 3,047 | 3,047 | 3,047 | 3,047 | 0 |
| Army National Guard | 0 | 0 | 0 | 50,000 | 50,000 | + 50,000 |
| Total, procurement | 51,751,298 | 47,660,498 | 52,471,398 | 51,717,298 | 48,000,598 | + 340,100 |
| TITLE II | | | | | | |
| Research, development, test, and evaluation: | | | | | | |
| Army | 3,905,200 | 3,768,500 | 3,741,470 | 3,910,500 | 3,746,299 | - 22,201 |
| Navy | 6,086,371 | 5,888,571 | 5,699,531 | 6,136,401 | 6,072,167 | + 183,596 |
| Air Force | 9,398,100 | 8,823,400 | 8,833,700 | 9,158,100 | 8,686,800 | - 136,600 |
| Defense agencies | 1,934,400 | 1,842,000 | 1,914,797 | 1,954,650 | 1,899,847 | + 57,847 |
| Total R.D.T. & E. | 21,324,071 | 20,322,471 | 20,189,498 | 21,159,651 | 20,405,113 | + 82,642 |
| TITLE III | | | | | | |
| Operations and Maintenance: | | | | | | |
| Army | 17,214,744 | 16,864,044 | 17,214,044 | 17,474,300 | 17,024,044 | + 160,000 |
| Navy | 20,682,210 | 20,189,810 | 20,684,410 | 20,657,210 | 20,130,410 | - 59,400 |
| Air Force | 19,249,340 | 19,056,552 | 19,230,740 | 19,256,420 | 18,898,140 | - 158,412 |
| Marine Corps | 1,235,839 | 1,217,239 | 1,245,739 | 1,260,539 | 1,249,939 | + 32,700 |
| Defensewide | 4,900,907 | 4,833,607 | 4,901,207 | 4,883,851 | 4,859,207 | + 25,600 |
| Total O. & M. | 63,283,040 | 62,161,252 | 63,276,140 | 63,532,320 | 62,161,740 | + 488 |
| TITLE VIII | | | | | | |
| Civil Defense | 132,842 | 132,842 | 174,000 | 126,842 | 129,000 | - 3,842 |
| Total Authorization | 136,491,251 | 130,277,063 | 136,111,036 | 136,536,111 | 130,696,451 | + 419,388 |

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TITLE I—PROCUREMENT—AIRCRAFT, ARMY
FISCAL YEAR 1982 ARMY AIRCRAFT PROCUREMENT REQUEST

(Dollars in millions)

| Item | Revised fiscal year 1982 request (March 1981) | | Revised fiscal year 1982 request (October 1981) | | House | | Senate | | Conference | | Amount change from October 1981 request |
|--|---|---------|---|---------|----------|---------|----------|---------|------------|---------|---|
| | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | |
| Fixed Wing: C-120 (Huron) | | 0 | | 0 | 12 | 20.9 | | 0 | 6 | 10.5 | +10.5 |
| Rotary: | | | | | | | | | | | |
| AH-1S (Cobra/Tow) | | 0 | | 0 | 16 | 67.2 | 20 | 64.4 | 12 | 55.0 | +55.0 |
| UH-60A (Blackhawk) ¹ | 96 | (532.2) | 96 | (508.1) | 90 | (499.2) | 96 | (507.1) | 96 | (508.1) | |
| Less advance procurement (PV) | | (-23.5) | | (-23.5) | | (-23.5) | | (-23.5) | | (-23.5) | |
| Net | | 508.7 | | 484.6 | | 475.7 | | 483.6 | | 484.6 | |
| UH-60A advance procurement (CY) ¹ | | 60.6 | | 186.6 | | 60.6 | | 60.6 | | 60.6 | -126.0 |
| UH-60A (Apache) | 14 | (415.8) | 14 | (415.8) | 14 | (415.8) | 14 | (415.8) | 14 | (489.2) | |
| Less advance procurement (PV) | | (-50.8) | | (-50.8) | | (-50.8) | | (-50.8) | | (-50.8) | |
| Net | | 365.0 | | 365.0 | | 365.0 | | 365.0 | | 438.4 | +73.4 |
| Modification of aircraft | | 449.8 | | 449.8 | | 479.2 | | 449.8 | | 449.8 | |
| AH-1S | | (65.9) | | (65.9) | | (101.9) | | (65.9) | | (65.9) | |
| CH-47D | | (273.1) | | (273.1) | | (266.5) | | (273.1) | | (273.1) | |
| Spares and repair parts | | 220.7 | | 220.7 | | 219.1 | | 220.7 | | 220.7 | |
| UH-60A | | (60.4) | | (60.4) | | (56.0) | | (60.4) | | (60.4) | |
| AH-1S | | (10.8) | | (10.8) | | (13.6) | | (10.8) | | (10.8) | |
| Undistributed inflation reduction ¹ | | 0 | | -2.0 | | 0 | | 0 | | -2.0 | |
| Items not in dispute | | 192.6 | | 192.6 | | 192.6 | | 192.6 | | 192.6 | |
| Total Army aircraft | | 1,797.4 | | 1,897.3 | | 1,880.3 | | 1,836.7 | | 1,910.2 | +12.9 |

¹ Change in administration request.

C-12D utility aircraft

No authorization was requested for the C-12D utility aircraft. The House amendment authorized \$20.9 million for procurement of 12 aircraft. The Senate bill contained no authorization for C-12D aircraft.

The conferees recommend authorization of \$10.5 million for procurement of six aircraft.

AH-1S helicopter (Cobra-Tow)

No authorization was requested for the AH-1S helicopter. The Senate bill authorized \$64.4 million for procurement of 20 AH-1S helicopters. The House amendment authorized \$67.2 million for 16 helicopters.

The conferees recommend authorization of \$55 million for procurement of 12 helicopters.

UH-60A helicopter (Black Hawk)

The March budget request contained \$508.7 million for procurement of 96 UH-60A helicopters and \$60.6 million for advance procurement. The October amendment contained \$484.6 million for 96 UH-60A helicopters and \$186.6 million for advance procurement, including \$126 million to fund termination liability associated with a proposal to initiate a multiyear procurement program for the UH-60A.

The Senate bill authorized \$483.6 million for procurement of 96 helicopters and \$60.6 million for advance procurement.

The House amendment authorized \$475.7 million for procurement of 90 helicopters and \$60.6 million for advance procurement.

Because of cost uncertainties in the program, the conferees do not recommend the UH-60A as a candidate for multiyear procurement at this time. The conferees recommend an authorization of \$484.6 million for procurement of 96 helicopters and \$60.6 million for advance procurement, a reduction of \$126 million from the amended request related to multiyear procurement.

The House recedes with an amendment.

AH-64 helicopter (Apache)

The request contained \$365 million for procurement of 14 AH-64 helicopters. The Senate bill and the House amendment authorized the amount requested. During conference it was determined that the AH-64 program is underfunded and the conferees agreed to recommend an authorization of \$438.4 million for procurement of 14 helicopters, an increase of \$73.4 million above the amount requested.

Modification of aircraft

The budget request contained \$449.8 million for modification of Army aircraft including \$65.9 million for AH-1 modifications and \$273.1 million for CH-47 modifications. The Senate bill authorized the amount requested. The House amendment authorized \$479.2 million for modification of Army aircraft, including \$101.9 million for AH-1 modifications and \$266.5 million for CH-47 modifications.

The House recedes.

Aircraft spares and repairs parts

The budget request contained \$220.7 million for Army aircraft spares and repair parts. The Senate bill authorized the amount requested. The House amendment authorized \$219.1 million.

The House recedes.

Undistributed inflation reduction

The March request contained no undistributed reductions. The October amendment applied a \$2.0 million undistributed reduction to Army aircraft anticipating a reduction in the inflation rate. Neither the Senate bill nor the House amendment contained an undistributed reduction.

The conferees recommend an undistributed reduction of \$2 million.

AIRCRAFT, NAVY AND MARINE CORPS
FISCAL YEAR 1982 NAVY AND MARINE CORPS AIRCRAFT PROCUREMENT REQUEST

[Dollars in millions]

| Item | Revised fiscal year 1982 request (March 1981) | | Revised fiscal year 1982 request (October 1981) | | House | | Senate | | Conference | | Change from October 1981 request amount |
|---|---|-----------|---|-----------|----------|-----------|----------|-----------|------------|-----------|---|
| | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | |
| Combat aircraft: | | | | | | | | | | | |
| F-14A (Tomcat) advance procurement (CY) | | 159.1 | | 159.1 | | 202.0 | | 159.1 | | 180.6 | + 21.5 |
| F-18 (Hornet) | 63 | (2,016.7) | 63 | (2,016.7) | 84 | (2,448.4) | 58 | (1,864.7) | 63 | (2,016.7) | |
| Less advance procurement (PY) | | (-126.6) | | (-126.6) | | (-126.6) | | (-126.6) | | (-126.6) | |
| Net | | 1,890.1 | | 1,890.1 | | 2,321.8 | | 1,738.1 | | 1,890.1 | |
| F-18 (Hornet) advance procurement (CY) | | 236.4 | | 236.4 | | 251.1 | | 241.3 | | 236.4 | |
| AV-8B advance procurement (CY) | | 49.0 | | 49.0 | | 49.0 | | 49.0 | | 37.0 | - 12.0 |
| CH-53E ¹ (Super Stallion) | 14 | 250.3 | 14 | 250.3 | 14 | 250.3 | 14 | 250.3 | 14 | 270.6 | |
| CH-53E ¹ (Super Stallion) advance procurement (CY) | | 22.8 | | 22.8 | | 22.8 | | 22.8 | | 2.5 | |
| P-3C (Orion) | 12 | (427.1) | 12 | (427.1) | 12 | (427.1) | 14 | (473.1) | 12 | (427.1) | |
| Less advance procurement | | (-46.9) | | (-46.9) | | (-46.9) | | (-46.9) | | (-46.9) | |
| Net | | 380.2 | | 380.2 | | 380.2 | | 426.2 | | 380.2 | |
| P-3C (Orion) advance procurement (CY) | | 84.3 | | 84.3 | | 84.3 | | 84.3 | | 54.3 | - 30.0 |
| SH-2F ¹ (Seasprite) | 18 | (232.3) | 18 | (193.3) | 12 | (183.6) | 18 | (232.3) | 18 | (193.3) | |
| Less advance procurement (PY) | | (-19.7) | | (-19.7) | | (-19.7) | | (-19.7) | | (-19.7) | |
| Net | | 212.6 | | 173.6 | | 163.9 | | 212.6 | | 173.6 | |
| Airlift aircraft: | | | | | | | | | | | |
| C-9 (Skytrain II) | | 0 | | 0 | 6 | 27.1 | 12 | 50.0 | | 0 | |
| C-2 (CQD) advance procurement ¹ | | 32.0 | | 37.0 | | 32.0 | | 32.0 | | 37.0 | |
| Trainer Aircraft: T-34C (Mentor) | 60 | 53.2 | 60 | 53.2 | 45 | 41.0 | 60 | 53.2 | 60 | 53.2 | |
| Modification of: | | | | | | | | | | | |
| Aircraft: | | | | | | | | | | | |
| P-3A | | 977.3 | | 977.3 | | 1,007.5 | | 1,007.6 | | 977.3 | |
| Spares and Repair Parts: | | (20.1) | | (20.1) | | (50.3) | | (50.4) | | (20.1) | |
| A-4J/Oriskany ¹ | | 1,546.9 | | 1,529.4 | | 1,611.3 | | 1,546.9 | | 1,607.9 | + 78.5 |
| | | (17.5) | | (0) | | (17.5) | | (17.5) | | (0) | |

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AIRCRAFT, NAVY AND MARINE CORPS—Continued

[Dollars in millions]

| Item | Revised fiscal year 1982 request (March 1981) | | Revised fiscal year 1982 request (October 1981) | | House | | Senate | | Conference | | Change from October 1981 request, amount |
|---|---|---------|---|---------|----------|---------|----------|---------|------------|---------|--|
| | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | |
| Spares and Repair Parts—Continued | | | | | | | | | | | |
| F-18..... | | (343.3) | | (343.3) | | (397.3) | | (343.3) | | (343.3) | |
| C-9..... | | (0) | | (0) | | (10.4) | | (0) | | (0) | |
| Undistributed..... | | (0) | | (0) | | (0) | | (0) | | (78.5) | (+78.5) |
| Support equipment and facilities: Other | | | | | | | | | | | |
| Production charges..... | | 73.7 | | 33.2 | | 73.7 | | 73.7 | | 33.2 | |
| Oriskany Air Wing..... | | (40.5) | | (0) | | (40.5) | | (40.5) | | (0) | |
| Undistributed: | | | | | | | | | | | |
| Inflation reduction..... | | 0 | | -11.0 | | 0 | | 0 | | -11.0 | |
| Consultants studies and analyses..... | | 0 | | -5.0 | | 0 | | 0 | | -5.0 | |
| Items not in Dispute..... | | 3,384.6 | | 3,384.6 | | 3,384.6 | | 3,384.6 | | 3,384.6 | |
| Total Navy and Marine Corps Aircraft..... | | 9,352.5 | | 9,244.5 | | 9,902.6 | | 9,331.7 | | 9,302.5 | +58.0 |

¹ Change in administration request.

F-14A (Tomcat) (advance procurement)

The budget request included \$159.1 million for advance procurement for 24 F-14A aircraft in fiscal year 1983. The Senate bill contained an authorization in the amount requested. The House amendment contained an authorization of \$202.0 million for advance procurement for 30 F-14A aircraft in fiscal year 1983. The conferees agreed to an authorization of \$180.6 million to support the procurement of 27 F-14A aircraft in fiscal year 1983.

The Senate recedes with an amendment.

F/A-18 fighter/attack aircraft (Hornet)

The budget request included \$1,890.1 million for the procurement of 63 F/A-18 aircraft in fiscal year 1982, \$236.4 million for initial spares and repair parts. The Senate bill authorized \$1,738.1 million for 58 aircraft in fiscal year 1982, \$241.3 million for advance procurement, and \$343.3 million for initial spares and repair parts. The House amendment authorized \$2,321.8 million for 84 F/A-18 aircraft in fiscal year 1982, \$251.1 million for advance procurement for 108 aircraft in fiscal year 1983, and \$397.3 million for initial spares and repair parts.

In view of the overall reduction applied to the Defense budget by the President's October budget amendment, the conferees recommend an authorization of \$1,890.1 million for the procurement of 63 aircraft in fiscal year 1982, \$236.4 million for advance procurement, and \$343.3 million for initial spares and repair parts. The conferees are concerned that the F/A-18 aircraft is not being procured in sufficient quantities to take advantage of economies of scale. Higher production rates must be attained in order to reduce unit cost. The Secretary of Defense is directed to examine closely the F/A-18 program prior to submitting the fiscal year 1983 budget request and to take steps as may be appropriate to reduce unit cost. The Secretary is encouraged to consider such possibilities as higher procurement rates.

The House recedes with an amendment.

AV-8B attack aircraft (Harrier) (advance procurement)

The budget request contained \$49 million for advance procurement for 24 AV-8B aircraft in fiscal year 1983. The Senate bill and the House amendment provided authorizations in the amount requested. In view of Navy plans to restructure the AV-8B program, the conferees agreed to an authorization of \$37 million for AV-8B advance procurement.

CH-53E aircraft (Super Stallion)

The March 1981 budget request included \$250.3 million for procurement of 14 CH-53 helicopters in fiscal year 1982 and \$22.8 million for advance procurement. The October amended budget request included \$270.6 million for the procurement of 14 CH-53E aircraft in fiscal year 1982 and \$2.5 million for advance procurement. The Senate bill and the House amendment authorized the amounts requested in the March budget request. The conferees recommend authorizations of \$270.6 million for the procurement of 14 aircraft in fiscal year 1982 and \$2.5 million for advance procurement.

P-3C patrol aircraft (Orion)

The budget request included \$380.2 million for the procurement of 12 P-3C aircraft in fiscal year 1982 and \$84.3 million for advance procurement for 12 aircraft in fiscal year 1983. The Senate bill contained \$426.2 million for 14 P-3C aircraft in fiscal year 1982 and \$84.3 million for advance procurement. The House amendment authorized the amounts requested. The conferees recommend the authorization of \$380.2 million for the procurement of 12 aircraft in fiscal year 1982 and \$54.3 million for advance procurement.

The Senate recedes with an amendment.

SH-2F ASW helicopter (Seasprite)

The March budget request included \$212.6 million for procurement of 18 SH-2F (LAMPS MK I) aircraft in fiscal year 1982. Based on favorable contract negotiations, the October amended request contained \$173.6 million for the procurement of 18 aircraft. The Senate bill authorized \$212.6 million for the procurement of 18 aircraft. The House amendment authorized \$163.9 million for the procurement of 12 aircraft. The conferees recommend the authorization of \$173.6 million for the procurement of 18 SH-2F aircraft.

The House recedes with an amendment.

C-9 airlift aircraft (Skytrain II)

No authorization was requested for procurement of C-9 aircraft in fiscal year 1982. The Senate bill authorized \$50 million for the procurement of 12 C-9 aircraft that are excess to commercial air carriers. The House amendment authorized \$27.1 million for the procurement of 6 excess C-9 aircraft and \$10.4 million for spares and repair parts. In view of the proposed reduction in budget authority for defense contained in the October amended budget request the conferees recommend no authorization for C-9 aircraft procurement in fiscal year 1982.

C-2 Carrier on Board Delivery (COD) aircraft (advance procurement)

The March budget request included \$32 million for advance procurement to support the production of 8 C-2 aircraft in fiscal year 1983. The October budget amendment included \$37 million for advance procurement to support a multiyear contract for the C-2 aircraft program. The Senate bill and the House amendment authorized the \$32 million originally requested. The conferees recommend an authorization in the amount of \$37 million for advance procurement of C-2 aircraft through a multiyear contract.

T-34C trainer aircraft (Mentor)

The budget request included \$53.2 million to procure 60 T-34C aircraft in fiscal year 1982. The Senate bill authorized the amount requested. The House amendment authorized \$41.0 million for the procurement of 45 T-34C aircraft. The conferees recommend the authorization of \$53.2 million for the procurement of 60 aircraft. The house recedes.

Modification of Navy aircraft

The budget request included \$977.3 million for modification of Navy aircraft, including \$20.1 million for modification of P-3A aircraft. The Senate bill authorized \$1,007.6 million for aircraft modi-

fications, including \$50.4 million for P-3A aircraft modifications. The House amendment authorized \$1,007.5 million for aircraft modifications, including \$50.3 million for the P-3A modifications. The conferees recommend the authorization of \$977.3 million for Navy aircraft modifications, including \$20.1 million for P-3A modifications.

Aircraft spares and repair parts (Navy and Marine Corps)

The March budget request contained \$1,546.9 million for procurement of Navy and Marine Corps aircraft spares and repair parts. Included in that amount was \$17.5 million for aircraft spares to support an air wing for the aircraft carrier *Oriskany* and \$343.3 million for initial spares for F/A-18 aircraft. The October amended budget request contained \$1,529.4 million, deleting the \$17.5 million initially requested for the *Oriskany* air wing. The Senate bill authorized the amounts requested. The House amendment authorized \$1,611.3 million for aircraft spares and repair parts, including the \$17.5 million associated with *Oriskany* aircraft, \$397.3 million for F/A-18 spares, and \$10.4 million for C-9 aircraft spares. In view of other actions recommended by the conferees with respect to reactivation of the carrier *Oriskany*, F/A-18 aircraft procurement and C-9 aircraft procurement, the conferees recommend the authorization of \$1,607.9 million for Navy and Marine Corps aircraft spares and repair parts, including \$343.3 million for F/A-18 spares and an undistributed increase of \$78.5 million to improve aircraft readiness. No authorization is recommended for spares associated with the *Oriskany* reactivation or for C-9 aircraft spares.

Aircraft support equipment and facilities (Navy)

The March budget request contained \$73.7 million for aircraft support equipment and facilities, including \$40.5 million to support an air wing for the aircraft carrier *Oriskany* (proposed to be reactivated). The October amended request included \$33.2 million for aircraft support equipment and facilities and deleted the amount requested for the *Oriskany* air wing. The conferees recommend the authorization of \$33.2 million for aircraft support equipment and facilities, as requested.

Undistributed reductions (Navy and Marine Corps)

The October budget request included undistributed reductions of \$11.0 million for anticipated reductions in inflation rates and \$5.0 million for reductions in consultant services and studies. These reductions were not contained in the Senate bill or in the House amendment. The conferees recommend that the requested reductions be applied to the fiscal year 1982 Navy and Marine Corps aircraft procurement program.

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AIRCRAFT, AIR FORCE, FISCAL YEAR 1982 AIR FORCE AIRCRAFT PROCUREMENT REQUEST

(Dollars in millions)

| Item | Revised fiscal year 1982 request (March 1981) | | | House | | | Senate | | | Conference | | | Change from October 1981 request, amount |
|--|---|-----------|----------|----------|-----------|----------|----------|-----------|----------|------------|----------|-----------|--|
| | Quantity | Amount | Quantity | Quantity | Amount | Quantity | Quantity | Amount | Quantity | Amount | Quantity | Amount | |
| Combat aircraft: | | | | | | | | | | | | | |
| Strategic offensive: | | | | | | | | | | | | | |
| LRCA ¹ | | 1,632.0 | | | 1,674.0 | | | 1,632.0 | | 1,632.0 | | 1,574.0 | -100.0 |
| LRCA advance procurement (CY) ¹ | | 310.0 | | | 227.0 | | | 310.0 | | 310.0 | | 227.0 | |
| Survivable enduring communications | | 0 | | | 0 | | | 0 | | 3.5 | | 3.5 | +3.5 |
| AFSATCOM terminal | | 0 | | | 0 | | | 0 | | 10.0 | | 10.0 | +10.0 |
| Tactical forces: | | | | | | | | | | | | | |
| A-7K (Corsair II) | | 0 | | 12 | 143.0 | | 12 | 151.6 | | | | 0 | |
| A-10 A/B (Thunderbolt II) ¹ | 60 | (624.2) | 20 | 60 | (591.2) | 60 | 60 | (624.2) | 20 | (261.7) | | (261.7) | |
| Less advance procurement (PV) | | (-81.8) | | | (-27.3) | | | (-81.8) | | (-81.8) | | (-32.0) | |
| Net | | 542.4 | | | 249.7 | | | 509.4 | | 542.4 | | 229.7 | -20.0 |
| A-10 A/B advance procurement (CY) ¹ | | 0 | | | 20.0 | | | 63.1 | | 0 | | 0 | -20.0 |
| F-15 A/B/C/D (Eagle) | 42 | (1,232.0) | 42 | 30 | (846.9) | 42 | 42 | (1,232.0) | 36 | (1,105.3) | | (1,105.3) | |
| Less advance procurement (PV) | | (-130.2) | | | (-125.1) | | | (-130.2) | | (-130.2) | | (-125.1) | |
| Net | | 1,101.8 | | | 1,091.8 | | | 716.7 | | 1,101.8 | | 980.2 | -111.6 |
| F-15 A/B/C/D advance procurement (CY) ¹ | | 125.4 | | | 100.4 | | | 94.3 | | 125.4 | | 100.4 | |
| F-16 A/B (multimission fighter) | 120 | (1,555.1) | 120 | 160 | (1,555.1) | 120 | 120 | (1,555.1) | 120 | (1,526.1) | | (1,526.1) | |
| Less advance procurement (PV) | | (-166.8) | | | (-223.5) | | | (-166.8) | | (-166.8) | | (-255.3) | |
| Net | | 1,388.3 | | | 1,331.6 | | | 1,671.2 | | 1,388.3 | | 1,270.8 | -60.8 |
| F-16 A/B advance procurement (CY) ¹ | | 268.6 | | | 546.8 | | | 315.0 | | 268.6 | | 546.8 | |
| Other combat aircraft: | | | | | | | | | | | | | |
| MC-10A (ATCA) ¹ | 8 | 437.0 | | 8 | 437.0 | | 8 | 437.0 | 4 | 220.2 | | 220.2 | +20.2 |
| MC-130H advance procurement (CY) ¹ | | 33.3 | | | 0 | | | 33.3 | | 33.3 | | 27.0 | +27.0 |
| Tactical aircraft C-130H (Hercules) | | 0 | | 12 | 163.4 | | 12 | 163.4 | 8 | 109.5 | | 109.5 | +109.5 |
| Wide-bodied cargo airlift aircraft | | 0 | | | 0 | | | 150.0 | | 0 | | 50.0 | +50.0 |

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| | | | | | | | |
|--|----------|----------|-------|----------|-------|----------|---------|
| Trainer aircraft: Companion trainer Aircraft B-52 ¹ advance procurement (CV)..... | 3.9 | 0 | 6 | 1.0 | 6 | 0 | 0 |
| Helicopters: UH 60A ¹ | 63.0 | 33.0 | ..... | 63.0 | ..... | 33.0 | ..... |
| Modification of aircraft ¹ | 2,132.1 | 2,109.4 | ..... | 2,104.4 | ..... | 2,093.8 | -15.6 |
| a. F-106..... | (35.9) | (35.9) | ..... | (20.3) | ..... | (20.3) | (-15.6) |
| b. B-52 ¹ | (470.9) | (438.4) | ..... | (458.8) | ..... | (438.4) | ..... |
| c. ALCS (C-135) ¹ | (10.6) | (0) | ..... | (10.6) | ..... | (0) | ..... |
| d. EC-135 ¹ | (0) | (20.4) | ..... | (0) | ..... | (20.4) | ..... |
| Spares and repair parts ¹ | 4,266.1 | 4,002.5 | ..... | 4,287.1 | ..... | 3,889.8 | -112.7 |
| LRCAs..... | (179.0) | (51.0) | ..... | (179.0) | ..... | (0) | (-51.0) |
| C-130H..... | (0) | (0) | ..... | (0) | ..... | (0) | (-4.1) |
| F-15..... | (74.7) | (74.7) | ..... | (74.7) | ..... | (71.7) | (-3.0) |
| F-16..... | (394.0) | (394.0) | ..... | (394.0) | ..... | (394.0) | ..... |
| UH60A ¹ | (6.0) | (4.7) | ..... | (6.0) | ..... | (4.7) | ..... |
| A-7K..... | (114.4) | (65.4) | ..... | (114.4) | ..... | (65.4) | ..... |
| ALQ-131 ¹ | (0) | (0) | ..... | (12.1) | ..... | (0) | ..... |
| KC-10 ¹ | (33.3) | (13.3) | ..... | (33.3) | ..... | (13.3) | ..... |
| A-10 ¹ | (63.0) | (0) | ..... | (63.0) | ..... | (17.2) | (+17.2) |
| Undistributed reduction..... | (8.5) | (6.2) | ..... | (8.5) | ..... | (6.2) | ..... |
| Classified program..... | (0) | (0) | ..... | (0) | ..... | (-80.0) | (-80.0) |
| Support equipment and facilities..... | (0) | (0) | ..... | (0) | ..... | (8.1) | (8.1) |
| Tactical Improvements (classified) ¹ | 2,041.3 | 2,068.0 | ..... | 2,041.3 | ..... | 2,018.3 | -490.7 |
| Classified Program..... | 0 | (27.7) | ..... | (0) | ..... | (0) | (-27.7) |
| Common ground equipment ¹ | (8.1) | (8.1) | ..... | (8.1) | ..... | (0) | (-8.1) |
| NATO AWACS..... | (405.2) | (404.2) | ..... | (405.2) | ..... | (404.2) | ..... |
| Undistributed inflation reduction ¹ | (358.2) | (358.2) | ..... | (358.2) | ..... | (344.3) | (-13.9) |
| Items not in dispute..... | 0 | -17.0 | ..... | 0 | ..... | -17.0 | ..... |
| Total Air Force aircraft..... | 14,751.9 | 13,843.9 | ..... | 15,070.8 | ..... | 13,773.7 | -70.2 |

¹ Charge in administration request² \$8.1 million in spares and repair parts for classified program is authorized within the overall limit available for spares and repair parts.

Long range combat aircraft (LRCA)

The March budget request contained \$1,632.0 million for the procurement of long range combat aircraft (LRCA) described as a multirole bomber aircraft. Also requested was \$310.0 million for advance procurement and \$179.0 million for spares and repair parts. The October amended budget request contained \$1,674.0 million for long range combat aircraft procurement, \$227.0 million for advance procurement, and \$51.0 million for spares and repair parts. In connection with the October budget amendment, the President advised the Congress that the long range combat aircraft for which fiscal year 1982 authorization was requested would be a variant of the B-1 aircraft.

The Senate bill and the House amendment authorized \$1,632.0 million for long range combat aircraft procurement and \$310.0 million for advance procurement. The House amendment provided no authorization for spares. In addition, the House amendment provided that the funds authorized to be appropriated for the long range combat aircraft would be available only for that purpose.

The conferees recommend the authorization of \$1,574.0 million for long range combat aircraft procurement and \$227.0 million for advance procurement. In addition, the conferees recommend no authorization for initial spares and repair parts. The conferees also recommend that the amounts authorized for long range combat aircraft procurement and advance procurement shall be used only for that purpose.

The Senate recedes with an amendment.

A-7K attack aircraft (Corsair II)

No authorization was requested for A-7K aircraft. The Senate bill authorized \$151.6 million to procure 12 aircraft and \$12.2 million for spares. The House amendment authorized \$143.0 million to procure 12 aircraft and \$12.1 million for spares. The conferees recommend no authorization for A-7K aircraft or spares.

A-10 (Thunderbolt II)

The March budget request contained \$542.4 million for procurement of 60 A-10 aircraft including \$33.0 million for line termination costs, because no advance procurement was requested for production of additional aircraft in fiscal year 1983. The October amendment proposed to restructure the A-10 program and included a request for \$249.7 million for procurement of 20 aircraft in fiscal year 1982 and \$20.0 million advance procurement for an additional 20 aircraft in fiscal year 1983.

The Senate bill authorized the amount in the March budget request. The House amendment authorized \$509.4 million for procurement of 60 aircraft in fiscal year 1982, a reduction of \$33.0 million from the March request associated with line termination. The House amendment also authorized \$63.1 million in long-lead funding for procurement of 40 A-10 aircraft in fiscal year 1983.

The conferees recommend authorization of \$229.7 million for procurement of 20 aircraft in fiscal year 1982, a reduction of \$40.0 million from the amount requested in the October amendment.

The recommended reduction reflects two financial adjustments in the program. The Air Force has decided to produce only A-10A (one-seat) aircraft in fiscal year 1982, resulting in a \$15.3 million

reduction in the required funding. The second adjustment recognizes that the Congress had previously appropriated \$81.8 million in fiscal year 1981 as advance procurement for 60 aircraft in fiscal year 1982. The October amendment requested an additional \$20.0 million (for a total of \$101.8 million) for procurement of 40 aircraft.

F-15 A/B/C/D fighter aircraft (Eagle)

The March budget request contained \$1,101.8 million for procurement of 42 F-15 aircraft in fiscal year 1982, \$125.4 million for advance procurement for 42 aircraft in fiscal year 1983 and \$74.7 million for spares. The October budget amendment contained \$1,091.8 million for procurement of 42 aircraft in fiscal year 1982, \$100.4 million for advance procurement for 30 aircraft in fiscal year 1983 and \$74.7 million for spares. The Senate bill authorized the amount in the March request. The House amendment authorized \$716.7 million for procurement of 30 F-15 aircraft in fiscal year 1982, \$94.3 million for advance procurement of 30 aircraft in fiscal year 1983 and \$67.7 million for spares. The conferees recommend the authorization of \$980.2 million for 36 F-15 aircraft in fiscal year 1982, \$100.4 million for advance procurement for 30 aircraft in fiscal year 1983 and \$71.7 million for spares.

The House recedes with an amendment.

F-16 multimission fighter aircraft

The March budget request contained \$1,388.3 million for procurement of 120 F-16 aircraft and \$268.6 million for advance procurement. The October amendment contained \$1,331.6 million for procurement of 120 aircraft and \$546.8 million for advance procurement, including \$249.2 million to fund termination liability associated with a decision to enter into a multiyear procurement contract on the F-16.

The Senate bill authorized the amount in the March budget request. The House amendment authorized \$1,671.2 million for procurement of 160 F-16 aircraft in fiscal year 1983.

The conferees recommend \$1,270.8 million for procurement of 120 F-16 aircraft—a reduction of \$60.8 million from the amount requested in the October amendment—and \$546.8 million requested for advance procurement for 120 aircraft and termination liability funding associated with multiyear procurement.

The conferees note that the Congress authorized \$93.4 million in conjunction with the procurement of an additional 60 F-16 aircraft in fiscal year 1982. Because the Air Force has decided to pursue a multiyear procurement program of 120 F-16 aircraft beginning in fiscal year 1982, the \$93.4 million will not be required for the purpose for which it was originally authorized. The Air Force proposed to rescind \$65.7 million of the fiscal year 1981 appropriation and have the funds reappropriated in fiscal year 1982.

The conferees recommend that the Congress disapprove the rescission and authorize the Air Force to use those fiscal year 1981 funds to finance the restructured fiscal year 1982 program.

KC-10A advanced tanker cargo aircraft

The March budget request contained \$437.0 million for procurement of 8 KC-10A aircraft and \$63.0 million for spares. The October amended request contained no authorization for the KC-10A. The Senate bill and the House amendment authorized the amounts

requested in the March budget request. The conferees recommend an authorization of \$220.2 million for procurement of 4 KC-10A aircraft and \$17.2 million for spares.

MC-130H tactical transport aircraft (Combat Talon)

The March budget request contained \$33.3 million for advance procurement for 4 MC-130H aircraft in fiscal year 1983. The October amended request contained no authorization for this program. The Senate bill and the House amendment authorized the amount requested in the March budget request. The conferees recommend the authorization of \$27.0 million for advance procurement to support the production of 4 MC-130H aircraft in fiscal year 1983.

C-130H tactical airlift aircraft (Hercules)

The budget request contained no authorization for C-130H aircraft. The Senate bill and the House amendment authorized \$163.4 million for procurement of 12 aircraft. The Senate bill authorized \$8.8 million for initial spares. The House amendment authorized \$8.7 million for initial spares. The conferees recommend the authorization of \$109.5 million to procure 8 C-130H aircraft in fiscal year 1982 and \$4.1 million for spares.

Wide-bodied cargo airlift aircraft

The budget request contained no authorization for procurement of wide-bodied cargo airlift aircraft. The Senate bill contained no authorization for this purpose. The House amendment contained an authorization of \$150.0 million for the procurement of wide-bodied aircraft to partially satisfy near-term airlift requirements through the procurement of existing aircraft such as the C-5, KC-10, 747 and other aircraft. The conferees recommended the authorization of \$50.0 million for the procurement of wide-bodied cargo airlift aircraft.

As explained in the discussion under Title II of CX/Airlift Enhancement, a 30-day review period would be required before the obligation of funds authorized.

The Senate recedes with an amendment.

B-52 companion trainer aircraft (advance procurement)

The March budget request included \$3.9 million for advance procurement to initiate a B-52 companion trainer aircraft program. The October budget amendment requested no authorization for this program. The Senate bill authorized \$1 million for companion trainer aircraft advance procurement. The House amendment authorized \$3.9 million for this purpose. The conferees recommend no authorization for companion trainer aircraft advance procurement.

UH-60A utility helicopter (Black Hawk)

The March budget request contained \$63 million to procure 12 UH-60A helicopters and \$6 million for spares. The October amended request contained \$33 million to procure six aircraft and \$4.7 million for spares. The Senate bill authorized \$63 million for procurement of 12 aircraft and \$6 million for spares. The House amendment authorized \$31.5 million for procurement of six aircraft and \$3 million for spares. The conferees recommend the authorization of \$33 million for procurement of six UH-60A aircraft and \$4.7 million for spares.

The Senate recedes with an amendment.

Modification of aircraft (Air Force)

The March budget request contained \$2,132.1 million for modification of Air Force aircraft. The October amended request contained \$2,109.4 million for aircraft modifications. The Senate bill authorized \$2,104.4 million for the modification of Air Force aircraft. The House amendment authorized \$2,132.1 million for aircraft modifications as requested in the March budget.

The conferees recommended the authorization of \$2,093.8 million for Air Force aircraft modifications including the following amounts for items that were in dispute: F-106 aircraft, \$20.3 million; B-52 aircraft, \$438.4 million; and EC-135 aircraft modifications, \$20.4 million. No authorization is recommended for the Air Launched Control System (ALCS).

Aircraft spares and repair parts (Air Force)

The March request contained \$4,266.1 million for aircraft spares and repair parts. The October amended request included \$4,002.5 million for this purpose. The Senate bill authorized \$4,287.1 million for aircraft spares and repair parts. The House amendment authorized \$4,177.9 million for this purpose. The conferees recommend the authorization of \$3,889.8 million for Air Force aircraft spares and repair parts. (The amounts recommended for authorization for specific aircraft and for ALQ 131 electronic warfare system spares are reflected in the foregoing table.)

The conferees recommend that an undistributed reduction in the amount of \$80.0 million be applied to Air Force aircraft spares. This reduction is based on the conferees' belief that economies of at least two percent can be achieved through the consolidation of contracts for initial spares, replenishment spares and war reserve material spares. This action was recommended to the Secretary of Defense by the Defense Science Board following a 1980 study. In addition, the conferees believe that the \$8.1 million requested for items associated with a classified program included in the category "support equipment and facilities" should more appropriately be authorized within the aircraft spares and repair parts account. The conferees recommend that these items be procured within the total amount recommended for authorization for aircraft spares and repair parts.

Aircraft support equipment and facilities

The March budget request contained \$2,041.3 million for Air Force aircraft support equipment and facilities. The October amended request contained \$2,068.0 million for this purpose including \$27.7 million for tactical improvements, \$8.1 million for a classified program, \$404.2 million for common ground equipment, and \$358.2 million for the United States' share of the fiscal year 1982 contribution to the NATO AWACS program. The Senate bill authorized \$2,041.3 million for support equipment and facilities as requested in the March budget request. The House amendment authorized \$2,033.2 million and provided no authorization for the \$8.1 million request for a classified program.

The conferees recommend an authorization of \$2,018.3 million for Air Force aircraft support equipment and facilities. This recommendation would provide no authorization for the tactical improve-

ments program and would transfer the authorization of the \$8.1 million request for the classified program to aircraft spares and repair parts. In addition, the recommendation of the conferees would authorize \$404.2 million for common ground equipment and \$344.3 million for the NATO AWACS program.

NATO AWACS program

The budget request contained \$358.2 million for the United States' contribution to the NATO Airborne Warning and Control System (AWACS) for fiscal year 1982. The Senate bill included the amount requested within the total amount authorized for Air Force aircraft procurement and, in a separate section (Section 107), provided that the \$358.2 million would be available only for the NATO AWACS contribution. The House amendment authorized the \$358.2 million requested for the NATO AWACS contribution in a separate section (Section 102) and did not include that amount within the total amount authorized for Air Force aircraft procurement. The conferees recommend the authorization of \$344.3 million for the United States' contribution to the NATO AWACS to be included within the total amount authorized for aircraft procurement. The conferees also recommend adoption of the language of Section 107 of the Senate bill with an amendment showing the reduction in the amount authorized.

The House recedes with an amendment.

Undistributed inflation reduction

The March budget request did not apply an undistributed inflation reduction to the Air Force aircraft procurement program. The October amended request would apply an undistributed reduction of \$17.0 million based on anticipated lower inflation rates. The Senate bill and the House amendment did not apply the undistributed inflation reduction. The conferees recommend that the \$17.0 million reduction be applied to the Air Force aircraft procurement program as requested.

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MISSILES, ARMY, FISCAL YEAR 1982 ARMY MISSILES PROCUREMENT REQUEST

(Dollars in millions)

| Item | Revised fiscal year 1982 request (Mar. 1981) | | Revised fiscal year 1982 request (Oct. 1981) | | House | | Senate | | Conference | | Amount change from Oct. 1981 request |
|--|--|---------|--|---------|----------|---------|----------|---------|------------|---------|--------------------------------------|
| | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | |
| Surface-to-air missiles: | | | | | | | | | | | |
| U.S. Roland ¹ | 795 | 477.0 | 0 | 360.3 | 500 | 360.3 | 795 | 477.0 | ..... | 50.0 | +50.0 |
| PATRIOT ¹ | 364 | 820.8 | 294 | 720.8 | 364 | 795.8 | 130 | 486.1 | 244 | 670.0 | -50.8 |
| Singer | 2,544 | 223.9 | 2,544 | 223.9 | 2,544 | 203.9 | 2,544 | 223.9 | 2,544 | 203.9 | -20.0 |
| Light weight air defense weapon | ..... | 0 | ..... | 0 | ..... | 75.0 | ..... | 0 | ..... | 0 | ..... |
| Air-to-surface missiles: | | | | | | | | | | | |
| Laser Hellfire | 1,075 | 128.4 | 1,075 | 128.4 | 1,075 | 128.4 | 1,075 | 128.4 | 800 | 113.4 | -15.0 |
| Modification of missiles | ..... | 440.8 | ..... | 440.8 | ..... | 430.8 | ..... | 440.8 | ..... | 413.3 | -27.5 |
| Dragon | ..... | (17.5) | ..... | (17.5) | ..... | (17.5) | ..... | (17.5) | ..... | 0 | (-17.5) |
| Undistributed | ..... | 0 | ..... | 0 | ..... | (-10.0) | ..... | 0 | ..... | (-10.0) | (-10.0) |
| Spares and repair parts ¹ | ..... | 234.1 | ..... | 181.8 | ..... | 234.1 | ..... | 195.4 | ..... | 181.8 | ..... |
| PATRIOT | ..... | (79.7) | ..... | (79.7) | ..... | (79.7) | ..... | (41.0) | ..... | (79.7) | ..... |
| Roland ¹ | ..... | (52.3) | ..... | 0 | ..... | (52.3) | ..... | (52.3) | ..... | 0 | ..... |
| Undistributed inflation reduction ¹ | ..... | 0 | ..... | -3.0 | ..... | 0 | ..... | 0 | ..... | -3.0 | ..... |
| Items not in dispute | ..... | 517.5 | ..... | 517.5 | ..... | 517.5 | ..... | 517.5 | ..... | 517.5 | ..... |
| Total, Army missiles | ..... | 2,842.5 | ..... | 2,210.2 | ..... | 2,745.8 | ..... | 2,469.1 | ..... | 2,146.9 | -63.3 |

¹ Change in Administration request.

Roland

The March budget request contained \$477 million for Procurement of 795 missiles and related equipment. The October amendment deleted the entire request of \$477.0 million.

The Senate bill authorized the \$477.0 million originally requested. The House amendment authorized \$360.3 million for procurement of 500 missiles and related equipment.

The conferees recommend an authorization of \$50 million to provide funding for a restructured Roland program consisting of 27 fire units and 595 missiles and related items funded in prior years.

Patriot

The March budget request contained \$820.8 million for procurement of 12 fire units and 364 missiles. The October amendment contained \$720.8 million for procurement of 9 fire units and 294 missiles.

The Senate bill authorized \$486.1 million for procurement of 6 fire units and 130 missiles. The House amendment authorized \$795.8 million for procurement of 12 fire units and 364 missiles.

The conferees recommend an authorization of \$670 million for procurement of 9 fire units and 244 missiles.

Stinger

The budget request contained \$223.9 million for procurement of 2,554 stinger missiles. The Senate bill authorized the amount requested. The House amendment authorized \$203.9 million for procurement of 2,544 missiles.

The Senate recedes.

Light air defense weapon

No authorization was requested for the light air defense weapon. The House amendment contained \$75 million to begin procurement of an off-the-shelf system. The Senate bill contained no authorization for such a system.

The House recedes.

Laser hellfire

The budget request contained \$128.4 million for procurement of 1,075 laser hellfire missiles. The Senate bill and the House amendment authorized the amount requested.

The conferees recommend a reduction of \$15 million and 275 missiles for an authorization of \$113.4 million for procurement of 800 missiles.

Modification of missiles

The budget request contained \$440.8 million for modification of Army missiles. The Senate bill authorized the amount requested. The House amendment authorized \$430.8 million applying an undistributed reduction of \$10 million.

The conferees recommend authorization of \$413.3 million including the undistributed reduction of \$10 million and a reduction of \$17.5 million in Drâgon modifications.

Spares and repair parts

The March budget request contained \$234.1 million for Army missile spares and repair parts, including \$79.7 million for the Pa-

triot missile and \$52.3 million for the Roland missile. The October amendment requested \$181.8 million—a reduction of \$52.3 million associated with the Roland program.

The Senate bill authorized \$195.4 million for Army missile spares and repair parts, including \$41 million for Patriot and \$52.3 million for Roland. The House amendment authorized the \$234.1 million in the March budget request.

The conferees recommend authorization of the \$181.8 million requested in the October amendment.

Undistributed inflation reduction

The March request contained no undistributed reductions. The October amendment applied a \$3.0 million undistributed reduction to Army missiles anticipating a reduction in the inflation rate. Neither the Senate bill nor the House amendment contained an undistributed reduction.

The conferees recommend an undistributed reduction of \$3 million.

MISSILES, NAVY, FISCAL YEAR 1982 NAVY MISSILES PROCUREMENT REQUEST

[Dollars in millions]

| Item | Revised fiscal year 1982 request (March 1981) | | Revised fiscal year 1982 request (Oct. 1981) | | House | | Senate | | Conference | | Amount change from Oct. 1981 request |
|---|---|---------|--|---------|----------|---------|----------|---------|------------|---------|--------------------------------------|
| | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | |
| Tactical missiles: | | | | | | | | | | | |
| AGM-84A Harpoon ¹ | 340 | 282.7 | 240 | 232.7 | 240 | 212.5 | 340 | 282.7 | 240 | 232.7 | |
| FLTSATCOM advance process (calendar year) | | 0 | | 65.0 | | 65.0 | | 0 | | 65.0 | |
| Undistributed inflation reduction | | 0 | | -3.0 | | 0 | | 0 | | -3.0 | |
| Programs not in dispute | | 2,272.3 | | 2,272.3 | | 2,272.3 | | 2,272.3 | | 2,272.3 | |
| Total, Navy missiles | | 2,555.0 | | 2,567.0 | | 2,549.8 | | 2,555.0 | | 2,567.0 | |

¹ Change in administration request.

AGM-84A missile (Harpoon)

The March budget request contained \$282.7 million to procure 340 Harpoon missiles. The October amended request contained \$232.7 million to procure 240 missiles. The Senate bill authorized \$282.7 million to procure 340 missiles. The House amendment contained \$212.5 million to procure 240 missiles. The conferees recommend an authorization of \$232.7 million to procure 240 Harpoon missiles.

The Senate recedes with an amendment.

Fleet Satellite Communication System (advance procurement)

The March request contained no authorization for advance procurement for additional Fleet Satellite Communication satellites. The October amended request contained \$65.0 million for advance procurement for three additional satellites to ensure that near-term strategic and tactical communication needs can be met. The Senate bill contained no authorization for advance procurement to support the acquisition of additional satellites. The House amendment contained \$65.0 million for this purpose. The conferees believe that steps must be taken to minimize the possibility of shortfalls in critical command, control and communication capabilities and recommend the authorization of \$65.0 million for advance procurement for the Fleet Satellite Communications program.

The Senate recedes.

Undistributed inflation reduction (Navy missiles)

The October amended request would apply a \$3.0 million undistributed reduction to the Navy missile program, reflecting anticipated inflation rate reductions. The Senate bill and the House amendment did not apply undistributed reductions to the Navy missile program. The conferees recommend that the requested \$3.0 million undistributed inflation reduction be applied to the Navy missile program.

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Missiles, Air Force
FISCAL YEAR 1982 AIR FORCE MISSILES PROCUREMENT REQUEST

(Dollars in millions)

| Item | Revised fiscal year 1982 request (March 1981) | | Revised fiscal year 1982 request (October 1981) | | House | | Senate | | Conference | | Change from September 1981 request, amount |
|---|---|---------|---|---------|----------|---------|----------|---------|------------|---------|--|
| | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | |
| Ballistic missiles: | | | | | | | | | | | |
| Strategic LGM-30: Minuteman II-III..... | | 34.3 | | 34.3 | | 78.9 | | 92.0 | | 34.3 | |
| a. MK-12A reentry vehicle..... | | (0) | | (0) | | (44.6) | | (44.7) | | (0) | |
| b. MM-II-III deployment..... | | (0) | | (0) | | (0) | | (13.0) | | (0) | |
| Force modernization: ¹ | | | | | | | | | | | |
| ICBM C-3 integration..... | | 56.1 | | 54.4 | | 56.1 | | 56.1 | | 54.4 | |
| ALCS..... | | (1.7) | | (0) | | (1.7) | | (1.7) | | (0) | |
| Other missiles: Strategic: Emergency rocket communication system..... | | 0 | | 0 | | 0 | | 6.8 | | 6.8 | |
| Tactical: Rapier ¹ | | 133.0 | | 110.1 | | 133.0 | | 133.0 | | 133.0 | |
| Modification of missiles: ¹ | | 139.7 | | 74.7 | | 94.7 | | 148.7 | | 82.8 | |
| a. MK-12A reentry vehicle..... | | (0) | | (0) | | (0) | | (9.0) | | (0) | |
| b. MM-III subs..... | | (45.0) | | (0) | | (0) | | (45.0) | | (35.0) | |
| c. Titan..... | | (26.8) | | (6.8) | | (26.8) | | (26.8) | | (2.4) | |
| d. Prior year authorization transfer to fiscal year 1982..... | | (0) | | (0) | | (0) | | (0) | | (-22.5) | |
| Spare and repair parts: ¹ | | 203.5 | | 194.5 | | 203.5 | | 203.5 | | 203.5 | |
| Rapier spares..... | | (9.0) | | (0) | | (9.0) | | (9.0) | | (9.0) | |
| Other support | | 2,474.4 | | 2,124.4 | | 2,409.8 | | 2,474.4 | | 2,059.8 | |
| a. NAVSTAR GPS..... | | (73.6) | | (73.6) | | (0) | | (73.6) | | 0 | |
| b. Special update program..... | | (791.3) | | (441.3) | | (791.3) | | (791.3) | | (441.3) | |
| c. Hybrid circuit facility..... | | (0) | | (0) | | (9.0) | | (0) | | (9.0) | |
| Undistributed inflation reduction | | 0 | | -5.0 | | 0 | | 0 | | -5.0 | |
| Programs not in dispute | | 1,617.2 | | 1,617.2 | | 1,617.2 | | 1,617.2 | | 1,617.2 | |
| Total, Air Force missiles..... | | 4,658.2 | | 4,204.6 | | 4,593.2 | | 4,731.7 | | 4,186.8 | |
| Change in administration request..... | | | | | | | | | | | -17.8 |

Minuteman II/III Intercontinental Ballistic Missile program

The budget request contained \$34.3 million to complete the procurement of MK-12A reentry vehicles during fiscal year 1982. The Senate bill authorized \$92.0 million for the Minuteman II/III program including \$79.0 million for MK-12A reentry vehicle procurement and \$13.0 million for the deployment of additional MK-12A systems. The House amendment authorized \$78.9 million for MK-12A reentry vehicle procurement.

The conferees agreed to delete the amount of authorization that exceeds the President's request (\$53.7 million in the Senate bill and \$44.6 million in the House amendment) for maintaining, for the entire fiscal year, production of MK-12A reentry vehicles for Minuteman III and MX missiles. This action was taken without prejudice to the merits of the continuation of this production. The conferees believe the Department of Defense may, after further evaluation, decide that continuation of the MK-12A production is a cost effective means for providing upgraded Minuteman III capability and for meeting MX missile requirements in view of the Administration's new policy with respect to these strategic systems. The conferees recommend that the Air Force and the Department re-evaluate their requirements, and if continued MK-12A production is viewed as prudent, the Department should submit a reprogramming request or a supplemental request to achieve this end.

The conferees recommend an authorization of \$34.3 million for MK-12A procurement, as requested.

The Senate recedes with an amendment.

ICBM force modernization

The March budget request contained \$56.1 million for ICBM force modernization, including \$1.7 million associated with the air launched control system (ALCS). The October amended request included \$54.4 million for ICBM force modernization and deleted the \$1.7 million previously requested for the ALCS. The Senate bill and the House amendment authorized the \$56.1 million originally requested. The conferees recommend the authorization of \$54.4 million for ICBM force modernization, as requested in October.

Rapier short-range air defense system

The March budget request contained \$133.0 million for procurement of the Rapier short-range air defense system. The October amended request contained \$110.1 million for this purpose. The Senate bill and the House amendment authorized \$133.0 million for Rapier procurement. The conferees recommend the authorization of \$133.0 million for procurement of the Rapier system for fiscal year 1982.

Modification of missiles (Air Force)

The March budget request contained \$139.7 million for the modification of Air Force missiles. This amount included \$45.0 million for the Minuteman Extended Survivable Power (MESP) program and \$26.8 million for modifications of Titan II missiles and launch facilities. The October amended request contained \$74.7 million for missile modifications including no authorization for the MESP program and \$6.8 million for the modification of Titan II missiles and launch facilities. The Senate bill authorized \$148.7 million for Air

Force missile modification including \$9.0 million for MK-12A reentry vehicle modifications, \$45.0 million for the MESP program and \$26.8 million for Titan II modifications. The House amendment authorized \$94.7 million for missile modifications including \$26.8 million for Titan II modifications but no authorization was provided for MK-12A reentry vehicle modification or for the MESP program.

The October amended request shows that there is \$22.5 million available in the Air Force missile modification account that is excess to current requirements. This amount can be used to offset the fiscal year 1982 requirement.

The conferees recommend the authorization of \$82.8 million for the modification of Air Force missiles. This recommendation includes no authorization for MK-12A reentry vehicle modification, \$35.0 million for the Minuteman Extended Survivable Power program and \$2.4 million for Titan II safety modifications. In addition, the conferees recommend that the \$22.5 million now available from prior year appropriations for missile modifications be used for this program during fiscal year 1982.

Missile spares and repair parts (Air Force)

The March request contained \$203.5 million for missile spares and repair parts including \$9.0 million for Rapier system spares. The October amended request contained \$194.5 million and contained no request for Rapier system spares. The Senate bill and the House amendment authorized \$203.5 million including \$9.0 million for Rapier spares. The conferees recommended the authorization of \$203.5 million for Air Force missile spares and repair parts including \$9.0 million for Rapier spares.

Air Force missiles, other support

The March request contained \$2,474.4 million for Air Force other missile support including \$73.6 million for procurement for the NAVSTAR Global Positioning System and \$791.3 million for the special update program. No authorization was included for the construction of a hybrid circuit facility at an Air Force plant located in Tuscon, Arizona. The October amended request contained \$2,124.4 million for Air Force missiles, other missile support including \$73.6 million for NAVSTAR procurement and \$441.3 million for the special update program. No authorization was requested for the construction of a hybrid circuit facility.

The Senate bill authorized the amount requested in the March budget request. The House amendment authorized \$2,409.8 million. The House amendment included no authorization for NAVSTAR procurement, \$791.3 million for the special update program and \$9.0 million for the construction of a hybrid circuit facility.

The conferees recommended the authorization of \$2,059.8 million for Air Force other missile support including no authorization for NAVSTAR procurement, \$441.3 million for the special update program and \$9.0 million for construction of a hybrid circuit facility.

The Senate recedes with an amendment.

Undistributed inflation reduction

The October budget amendment to apply a \$5.0 million undistributed reduction to the Air Force missile program based on anticipated reductions in inflation rates. The Senate bill and the House

amendment did not apply this reduction. The conferees recommend the application of the \$5.0 million undistributed inflation reduction as requested.

NAVAL VESSELS

The President's March budget request contained \$10,290.1 million for 33 naval vessels.

The Senate bill contained an authorization of \$10,118.6 million for 35 naval vessels. The House amendment contained an authorization of \$10,290.1 million for 34 naval vessels.

The President's October budget revision contained \$8,475.3 million for 27 naval vessels.

The conferees agreed to an authorization totaling \$8,795.9 million for 26 naval vessels. In addition, the conferees agreed to authorize the transfer of \$102.4 million previously authorized and appropriated.

[Amounts in millions of dollars]

| Description | Amended budget request | | Revised budget (October) | | Senate—S. 815 passed May 14, 1981 | | House—H.R. 3519 as passed July 16, 1981 | | Conference agreement | |
|--|------------------------|-----------|--------------------------|-----------|-----------------------------------|-----------|---|-----------|----------------------|-----------|
| | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount |
| Naval vessels: | | | | | | | | | | |
| Trident (nuclear) submarine..... | 1 | (1,268.6) | 0 | (207.8) | 0 | (282.8) | 0 | (207.8) | 0 | (207.8) |
| Less: Advance proc (PV)..... | | (-207.8) | | (-207.8) | | (-207.8) | | (-207.8) | | (-207.8) |
| Net..... | | 1,060.8 | | 0 | | 75.0 | | 0 | | 0 |
| Trident (nuclear) submarine advance proc (CY)..... | | 230.7 | | 330.7 | | 265.7 | | 330.7 | | 330.7 |
| SSN-688..... | 2 | (1,163.5) | 2 | (1,103.5) | 2 | (1,163.5) | 3 | (1,581.6) | 2 | (1,103.5) |
| Less: Advance proc (PV)..... | | (-150.4) | | (-150.4) | | (-150.4) | | (-150.4) | | (-150.4) |
| Net..... | | (1,013.1) | | (953.1) | | (1,013.1) | | (1,531.2) | | (953.1) |
| SSN-688 advance proc (CY)..... | | (213.9) | | (213.9) | | (213.9) | | (213.9) | | (397.9) |
| Total, SSN-688..... | | 1,227.0 | | 1,167.0 | | 1,227.0 | | 1,745.1 | | 1,351.0 |
| CG-47 Aegis cruiser advance proc (CY)..... | | 20.7 | | 20.7 | | 20.7 | | 120.7 | | 20.7 |
| Battleship reactivation (New Jersey)..... | 1 | (247.0) | 1 | (326.0) | 1 | (326.0) | 1 | (247.0) | 1 | (326.0) |
| Less: Advance proc (PV)..... | | (-89.0) | | (-89.0) | | (-89.0) | | (-89.0) | | (-89.0) |
| Net..... | | 158.0 | | 237.0 | | 237.0 | | 158.0 | | 237.0 |
| CV reactivation (Oriskany)..... | 1 | (503.0) | 0 | 0 | 0 | 0 | 1 | (503.0) | 0 | 0 |
| Less: Advance proc (PV)..... | | (-139.0) | | | | | | (-139.0) | | |
| Net..... | | 364.0 | | 0 | | 0 | | 364.0 | | 0 |
| LSD-41 landing ship dock..... | 0 | 0 | 0 | 0 | 1 | (301.0) | 1 | (354.0) | 1 | (301.0) |
| LSD-41 long lead proc (CY)..... | | (34.0) | | (34.0) | | (107.3) | | (107.3) | | 0 |
| Total, LSD-41..... | | 34.0 | | 34.0 | | 408.3 | | 461.3 | | 301.0 |
| FFG guided missile frigate..... | 3 | 971.9 | 2 | 747.9 | 6 | 1,671.9 | 3 | 971.9 | 3 | 971.9 |
| LHA/LHD amphibious ship advance proc..... | | 0 | | 0 | | 0 | | 130.0 | | 45.0 |
| Fast logistics ship T-AKRX (conv)..... | 8 | 668.4 | 8 | 668.4 | 8 | 668.4 | 8 | 465.1 | 2 | 184.0 |
| By transfer..... | | 0 | | 0 | | 0 | | 0 | | (44.4) |

| | | | | | | | |
|--|------|----------|-------|---------|------|----------|---------|
| T-AH (conversion) advance proc (CY) | 10.0 | 0 | 0 | 0 | 10.0 | 0 | 0 |
| T-ALS auxiliary lighterage (barge) ship | 1 | 54.0 | 1 | 54.0 | 1 | 54.0 | 0 |
| Maritime prepositioning ship (T-AOKX) | 1 | (248.0) | 0 | (248.0) | 1 | (248.0) | 0 |
| Less: Advance proc (PY) | | (-53.0) | | (-53.0) | | (-53.0) | (-53.0) |
| Net | | 195.0 | 0 | 195.0 | | 195.0 | 0 |
| Maritime prepositioning ship (T-AOKX) RO/RO (conv) | 2 | 197.0 | 0 | 197.0 | 2 | 197.0 | 4 |
| By transfer | | 0 | 0 | 0 | | 0 | (58.0) |
| Landing craft | | (133.7) | | (133.7) | | (133.7) | (157.9) |
| Less: Advance proc (PY) | | (-35.1) | | (-35.1) | | (-35.1) | (-35.1) |
| Net | | 98.6 | 122.8 | 98.6 | | 98.6 | 122.8 |
| Post Delivery | | 146.5 | 122.3 | 146.5 | | 146.5 | 122.3 |
| Cost growth and escalation on prior year programs | | 312.0 | 448.0 | 312.0 | | 300.7 | 0 |
| Undistributed consultants services reduction | | 0 | -7.0 | 0 | | 0 | -7.0 |
| Undistributed inflation reduction | | 0 | -12.0 | 0 | | 0 | -12.0 |
| All Other Items | 13 | 4,541.5 | 13 | 4,541.5 | 13 | 4,541.5 | 13 |
| Total, Naval vessels | 33 | 10,290.1 | 27 | 8,475.3 | 35 | 10,118.6 | 26 |
| By transfer | | 0 | 0 | 0 | | 0 | (102.4) |

Trident ballistic missile submarine

The President's March budget request contained \$1,060.8 million for the tenth Trident submarine and \$230.7 million for long lead components for the eleventh and twelfth Trident submarines.

The President's October budget request contained \$330.7 million for long lead components of the tenth, eleventh and twelfth Trident submarines.

The Senate bill recommended authorization of \$75 million for the tenth Trident submarine and \$265.7 million for long lead components of the tenth, eleventh and twelfth Trident submarine.

The House amendment recommended authorization of \$330.7 million for long lead components of the tenth, eleventh and twelfth Trident submarine.

The Senate recesses.

SSN-688 nuclear attack submarine

The President's March budget contained \$1,013.1 million for the SSN-688 nuclear attack submarines and \$213.9 million for long lead components of two SSN-688 submarines in fiscal year 1983 and one SSN-688 submarine in fiscal year 1984.

The President's October budget request contained \$953.1 million for two SSN-688 nuclear attack submarines and \$213.9 million for long lead components of two SSN-688 submarines in fiscal year 1983 and one SSN-688 submarine in fiscal year 1984.

The Senate bill recommended authorization as requested in the President's March budget.

The House amendment recommended authorization of \$1,531.2 million for three SSN-688 nuclear attack submarines and \$213.9 million for long lead components.

The conferees agreed to an authorization of \$953.1 million for two SSN-688 nuclear attack submarines and \$397.9 million for long lead components of three SSN-688 submarines in fiscal year 1983 and three SSN-688 submarines in fiscal year 1984.

The House recesses with an amendment.

CG-47 aegis cruiser (advance procurement)

The President's budget request contained \$20.7 million for advance procurement of components for the Aegis cruiser.

The Senate bill recommended authorization of \$20.7 million for the Aegis cruiser.

The House amendment recommended authorization of \$120.7 million for advance procurement of components for the Aegis cruiser.

The House recesses.

BB-62 U.S.S. New Jersey (reactivation)

The President's March budget request contained \$158 million for reactivation of the *U.S.S. New Jersey* (BB-62).

The President's October budget request contained \$237 million for reactivation of the *U.S.S. New Jersey*.

The Senate bill recommended authorization of \$237 million.

The House amendment recommended authorization of \$158 million.

The House recesses.

CV-34 U.S.S. Oriskany (reactivation)

The President's March budget request contained \$364 million for reactivation of the aircraft carrier *U.S.S. Oriskany* (CV-34).

The President's October budget request did not include funds for reactivation of *U.S.S. Oriskany*.

The Senate bill did not recommend authorization for the reactivation of *U.S.S. Oriskany*.

The House amendment recommended authorization of \$364 million for reactivation of the aircraft carrier *U.S.S. Oriskany*.

The House recedes.

LSD-41 landing ship dock

The President's budget request contained \$34 million for advance procurement for a LSD-41 class ship.

The Senate bill recommended \$107.3 million for advance procurement for two LSD-41 class ships and \$301 million for the procurement of one LSD-41 class ship in fiscal year 1982.

The House amendment recommended \$107.3 million for advance procurement for two LSD-41 class ships and \$354 million for the procurement of one LSD-41 ship in fiscal year 1982.

The conferees agreed that \$301 million be authorized for procurement of one LSD-41 class ship in fiscal year 1982 and that no funds be authorized for advance procurement of LSD-41 class ships.

The House recedes with an amendment.

FFG-7 guided missile frigate

The President's March budget request contained \$971.9 million for procurement of three FFG-7 guided missile frigates.

The President's October budget request contained \$747.9 million for procurement of two FFG-7 guided missile frigates.

The Senate bill recommended authorization of \$1,671.9 million for the procurement of six FFG-7 guided missile frigates.

The House amendment recommended authorization of \$971.9 million for procurement of three FFG-7 guided missile frigates.

The Senate recedes.

LHA amphibious helicopter assault ship (advance procurement)

The President's budget request contained no funds for advance procurement for an LHA amphibious helicopter assault ship.

The Senate bill did not recommend authorization of advance procurement funds for an LHA amphibious helicopter assault ship.

The House amendment recommended authorization of \$130 million for an LHA.

The conferees agreed to authorization of \$45 million advance procurement for an air capable amphibious assault ship (LHA/LHD).

The Senate recedes with an amendment.

T-AKR fast logistic ship (acquisition and conversion)

The President's budget request contained \$668.4 million for acquisition of two SL-7 container ships and conversion of eight SL-7 container ships to T-AKR fast logistic ships.

The Senate bill recommended authorization as requested in the President's budget request.

The House amendment recommended authorization of \$465.1 million for conversion of eight SL-7 container ships to T-AKR fast logistic ships.

The conferees agreed to authorization of \$184 million for acquisition and conversion of two SL-7 container ships. The conferees also agreed to authorize the transfer of \$44.4 million authorized and appropriated in fiscal year 1981 for the SL-7 program, but not used, for the acquisition and conversion of two SL-7 container ships.

T-AH hospital ship (conversion)

The President's March budget request contained \$10 million for advance procurement of components for the conversion of the *U.S.S. United States* to a hospital ship.

The President's October budget request contained no funds for conversion of the *U.S.S. United States* to a hospital ship.

The Senate bill did not recommend authorization of funds for conversion of the *U.S.S. United States* to a hospital ship.

The House amendment recommended authorization of \$10 million for advance procurement of components for conversion of the *U.S.S. United States* to a hospital ship.

The House recedes.

T-ALS auxiliary lightering (barge) ship (acquisition)

The President's budget request contained \$54 million for acquisition of one T-ALS auxiliary lightering (barge) ship.

The Senate bill and the House amendment recommended authorization of \$54 million as requested in the President's budget.

The conferees agreed to recommend without prejudice, no authorization for the T-ALS ship.

T-AKX maritime prepositioning ship

The President's March budget request contained \$195 million for the construction of a maritime prepositioning ship.

The President's October budget request did not include funds for the construction of a maritime prepositioning ship.

The Senate bill recommended authorization of \$195 million for construction of a maritime prepositioning ship.

The House amendment recommended authorization of \$195 million for construction of a maritime prepositioning ship.

The conferees agreed that no funds be authorized for the construction of a maritime prepositioning ship.

T-AKX maritime prepositioning ship (acquisition and conversion)

The President's March budget request contained \$197 million for the acquisition of two roll-on/roll-off (RO/RO) ships and the conversion to T-AKX maritime prepositioning ships.

The President's October budget request did not contain funds for this program.

The Senate bill and the House amendment recommended authorization of \$197 million for the acquisition of two RO/RO ships and conversion to T-AKX maritime prepositioning ships.

The conferees agreed to authorization of \$139 million for acquisition of four ships and the conversion of these ships to T-AKX maritime prepositioning ships. The conferees also agreed to authorize the transfer of \$58 million authorized and appropriated in fiscal year 1981 for the T-AKX program, but not used, for the acquisition and conversion of these ships.

Landing craft

The President's March budget request contained \$98.6 million for landing craft.

The President's October budget revision contained \$122.8 million.

The Senate bill and the House amendment recommended authorization of \$98.6 million for landing craft.

The conferees agreed to authorization of \$122.8 million.

Post delivery

The President's March budget request contained \$146.5 million for post delivery costs.

The President's October budget request contained \$122.3 million for post delivery costs.

The Senate bill and the House amendment recommended authorization of \$146.5 million for post delivery costs.

The conferees agreed to authorize \$122.3 million for post delivery costs.

Cost growth and escalation in prior program years

The President's March budget request contained \$312 million for cost growth and escalation in prior year programs.

Undistributed inflation reduction

The President's October budget request contained \$448 million for cost growth and escalation in prior year programs.

The Senate bill recommended authorization of \$312 million.

The House amendment recommended authorization of \$300.7 million.

The conferees agreed to authorization of \$448 million for cost growth and escalation in prior year programs.

Undistributed inflation reduction

The President's October budget request contains an undistributed reduction of \$12 million anticipating lower than projected increases in price levels (inflation).

The President's March budget request did not contain a similar reduction.

The Senate bill and the House amendment did not recommend such reduction.

The conferees agreed to an undistributed reduction of \$12 million anticipating lower than projected increases in price levels.

Undistributed consultants services reduction

The President's October budget request contained an undistributed reduction of \$7 million recognizing reduced contracting out for consultants, studies and analyses.

The President's March budget request contained no similar undistributed reduction.

The Senate bill and the House amendment did not recommend an undistributed reduction for consultants, studies and analyses.

The conferees agreed to an undistributed reduction of \$7 million recognizing reduced contracting out for consultants, studies and analyses.

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Tracked Combat Vehicles, Army
FISCAL YEAR 1982 ARMY TRACKED COMBAT VEHICLES PROCUREMENT REQUEST

(Dollars in millions)

| Item | Revised fiscal year 1982 request (March 1981) | | Revised fiscal year 1982 request (October 1981) | | House | | Senate | | Conference | | Amount changed from October 1981 request |
|---|---|-----------|---|-----------|----------|-----------|----------|-----------|------------|----------|--|
| | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | |
| M2, M3 (Fighting Vehicle System)..... | 600 | \$809.8 | 600 | \$809.8 | 600 | \$800.0 | 600 | \$859.8 | 600 | \$800.0 | \$-9.8 |
| M68A1 ¹ (Recovery Veh.)..... | 180 | 153.0 | 172 | 148.0 | 180 | 153.0 | 180 | 153.0 | 150 | 123.7 | -24.3 |
| M1 tank ¹ | 720 | (1,759.9) | 665 | (1,483.9) | 720 | (1,739.9) | 720 | (1,759.9) | 720 | 1,559.9 | ..... |
| Less adv. Proc. (PV)..... | ..... | (-135.9) | ..... | (-135.9) | ..... | (-135.9) | ..... | (-135.9) | ..... | (-135.9) | ..... |
| Net..... | ..... | 1,624.0 | ..... | 1,348.0 | ..... | 1,604.0 | ..... | 1,624.0 | ..... | 1,424.0 | +76.0 |
| Field Artillery Ammo. Support Veh. Adv. Proc. (CV)..... | ..... | 4.0 | ..... | 4.0 | ..... | 4.0 | ..... | 4.0 | ..... | 0 | -4.0 |
| Support Equipment..... | ..... | 371.6 | ..... | 371.6 | ..... | 383.6 | ..... | 371.6 | ..... | 383.6 | +12.0 |
| Night Vision Detector Facilities..... | ..... | (0) | ..... | (0) | ..... | (12.0) | ..... | 0 | ..... | (12.0) | (+12.0) |
| Undistributed Inflation Reduction ¹..... | ..... | 0 | ..... | -5.0 | ..... | 0 | ..... | 0 | ..... | -5.0 | ..... |
| Items not in Dispute..... | ..... | 524.9 | ..... | 524.9 | ..... | 524.9 | ..... | 524.9 | ..... | 524.9 | ..... |
| Total, Army Tracked Combat Vehicles..... | ..... | 3,487.3 | ..... | 3,201.3 | ..... | 3,489.5 | ..... | 3,537.3 | ..... | 3,251.2 | +49.9 |

¹ Change in administration request.

M2,M3 fighting vehicle system

The budget request contained \$809.8 million for procurement of 600 vehicles. The Senate bill authorized \$859.8 million, including \$809.8 million for procurement of 600 vehicles and \$50 million to provide a second source for production of fighting vehicles. The House amendment authorized \$800 million for procurement of 600 vehicles.

The Senate recedes.

M88A1 recovery vehicle

The March budget request contained \$153 million for procurement of 180 M88A1's. The October amendment contained \$148 million for procurement of 172 vehicles. Both the Senate bill and the House amendment authorized the amount contained in the March budget request.

The conferees recommend authorization of \$123.7 million for procurement of 150 vehicles, a reduction of \$24.3 million and 22 vehicles from the October request.

M1 tank

The March budget request contained \$1,624.0 million for procurement of 720 M1 tanks. The October amendment contained \$1,348.0 million for procurement of 665 tanks. The Senate bill authorized \$1,624.0 million for procurement of 720 tanks. The House amendment authorized \$1,604.0 million for procurement of 720 tanks.

The conferees recommend authorization of \$1,424.0 million, an increase of \$76.0 million over the October amendment, to restore the procurement rate to 720 tanks. The conferees determined that the 720 tanks could be procured despite the \$200 million reduction from the original request because of the savings identified in fiscal year 1981 contract negotiations.

Field artillery ammunition support vehicle (FAASV)

The budget request contained \$4.0 million for advance procurement for the FAASV. The Senate bill and the House amendment authorized the amount requested.

The conferees recommend that the \$4 million requested be deleted.

Support equipment

The budget request contained \$371.6 million for support equipment for Army tracked combat vehicles. The Senate bill authorized the amount requested. The House amendment authorized \$383.6 million, including an increase of \$12 million to expand production facilities for mercury-cadmium-telluride infra-red detectors.

The Senate recedes.

Undistributed inflation reduction

The March request contained no undistributed reductions. The October amendment applied a \$5.0 million undistributed reduction to the Army tracked combat vehicles anticipating a reduction in the inflation rate. Neither the Senate bill nor the House amendment contained an undistributed reduction.

The conferees recommend an undistributed reduction of \$5.0 million.

ARMY NATIONAL GUARD EQUIPMENT

No authorization was requested for Army National Guard equipment. The Senate bill authorized \$50 million for unspecified items of equipment. The House amendment contained no authorization for Army National Guard equipment.

The conferees agreed that the leadership of the Army National Guard should allocate the \$50 million to the programs which best meet the needs and priorities of the Army Guard. The conferees have been informed by the Army National Guard that they would use the funds to procure the following items: \$18.0 million for 38 armored vehicle launched bridge kits; \$20.7 million for 36 M-109 155mm self-propelled howitzers; \$4.4 million for 27 M-577A2 command post vehicles; and \$6.9 million for 42 M-125A2 mortar carriers.

The House recedes with an amendment.

OTHER PROVISIONS

Sealift funds

The Senate bill, section 103, would authorize the use of \$53 million of fiscal year 1981 procurement funds for advance procurement of items for the T-AKX, maritime prepositioning ships and would prohibit use of fiscal year 1981 funds for any modification of T-AKRX, fast logistics ships that did not include roll-on, roll-off capability.

The House amendment contained no similar provision.

The Senate recedes.

Prohibition of construction of naval vessels in foreign shipyards

The House amendment, section 104, would prohibit use of funds authorized for procurement of naval vessels for construction or conversion of U.S. naval vessels in foreign shipyards.

The Senate bill contained no similar provision.

The House recedes.

Restriction on expenditure of M1 tank procurement funds

Section 104 of the Senate bill would have restricted expenditure of \$577.2 million authorized for the M1 tank program until the Secretary of Defense provided written certification to the Armed Services Committees of the Senate and House of Representatives that (1) durability performance results of RAM-D testing programs do not present an unacceptable risk in terms of satisfying Army operational requirements and (2) the test results support procurement of more than 569 tanks. The House amendment contained no similar restriction.

The conferees agreed not to include the restriction in the bill. However, the Senate conferees expressed their continuing concern over the durability of the power train of the M1 tank.

The Senate recedes.

Fighting vehicle second source

Section 105 of the Senate bill would have provided that \$50 million of the total funding authorized for the Fighting Vehicle Systems could be used only for the purpose of providing a second source for the Fighting Vehicle Systems and restricted second source producer eligibility to business entities in which the prime

contractor has no ownership interest. The House amendment contained no similar restriction on Fighting Vehicle Systems authorization.

The conferees note that the Army has awarded contracts to study the feasibility of a second source in the Fighting Vehicle Systems program and expects the results of this analysis to be forwarded to the Committees on Armed Services of the Senate and House of Representatives not later than June 30, 1982.

The Senate recedes.

Responsibility for management and direction of the light armored vehicle (LAV) program

Section 106 of the Senate bill would have provided that \$36.2 million of the total funds authorized for procurement of tracked combat vehicles would be available only for procurement of Light Armored Vehicles for the Marine Corps and further would have designated the Secretary of the Navy to be responsible for management and direction of the program for procurement of such vehicles. The House amendment contained no similar provision.

The Senate recedes.

TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

GENERAL

The Department of Defense March budget submission requested a total authorization of \$21,324,071,000 for the fiscal year 1982 Research, Development, Test and Evaluation (RDT&E) appropriations. The October revised budget request resulted in a downward adjustment in the RDT&E request to a total of \$20,322,471,000. The following table summarizes the Senate and House modifications to the request:

R.D.T. & E. SUMMARY

[In thousands of dollars]

| | Budget request March 1981 | Revised budget request October 1981 | House | Senate | Conference |
|--|------------------------------|--|------------|------------|------------|
| Army | 3,905,200 | 3,768,500 | 3,741,470 | 3,910,500 | 3,746,299 |
| Navy ¹ | 6,086,371 | 5,888,571 | 5,699,531 | 6,136,401 | 6,072,167 |
| Air Force | 9,398,100 | 8,823,400 | 8,833,700 | 9,158,100 | 8,686,800 |
| Defense Agencies | 1,881,400 | 1,789,000 | 1,861,797 | 1,901,650 | 1,846,847 |
| Director, Test and Evaluation | 53,000 | 53,000 | 53,000 | 53,000 | 53,000 |
| Total, R.D.T. & E. | 21,324,071 | 20,322,471 | 20,189,498 | 21,159,651 | 20,405,113 |

¹ Includes \$3,083,000 in special foreign currency.

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RESEARCH, DEVELOPMENT, TEST AND EVALUATION SUMMARY OF CONFERENCE ACTION

ARMY—FISCAL YEAR 1982

[In thousands of dollars]

| Item number and description | Budget request March 1981 | Senate—S. 815 as passed May 14, 1981 | House—S. 815 (H.R. 3519) as passed July 16, 1981 | Change from Senate | Conference action |
|--|------------------------------|--|---|-----------------------|----------------------|
| 101 Small Caliber and fire control technology | 9,316 | 9,316 | 14,316 | + 5,000 | 11,500 |
| 102 Environmental quality technology | 8,681 | 8,681 | 7,500 | - 1,181 | 7,500 |
| 103 RPV supporting technology | 2,836 | 2,836 | 0 | - 2,836 | 0 |
| 104 NOE aviation and navigation equipment | 6,292 | 6,292 | 2,348 | - 3,944 | 2,348 |
| 105 Demilitarization concepts | 11,921 | 11,921 | 0 | - 11,921 | 9,500 |
| 106 Adv. rocket control systems | 15,000 | 15,000 | 0 | - 15,000 | 0 |
| 107 Infantry manportable antiarmor weapon system | 23,106 | 23,106 | 0 | - 23,106 | 0 |
| 108 Stinger | 16,171 | 16,171 | 7,000 | - 9,171 | 16,171 |
| 109 Roland | 4,000 | 4,000 | 0 | - 4,000 | 0 |
| 110 EUROM C systems | 18,028 | 18,028 | 4,000 | - 13,950 | 4,069 |
| 111 Joint service small arms program | 3,529 | 3,529 | 3,529 | + 5,000 | 5,500 |
| 112 DIVAD command and control | 13,134 | 13,134 | 0 | - 13,134 | 9,200 |
| 113 Joint tactical fusion program | 53,547 | 53,547 | 45,547 | - 8,000 | 33,047 |
| 114 Standoff target acquisition system | 69,776 | 69,776 | 5,000 | - 64,776 | 0 |
| 115 NAVSTAR Global Positioning System | 21,002 | 21,002 | 0 | - 21,002 | 0 |
| 116 Field artillery cannon system | 2,037 | 2,037 | 10,527 | + 8,500 | 2,037 |
| 117 Electric power modernization | 0 | 500 | 0 | - 500 | 500 |
| 118 SATCOM ground environment | 36,438 | 41,638 | 36,438 | - 5,200 | 41,638 |
| a. Multimission SATCOM | (15,313) | (16,513) | (15,313) | (- 1,200) | (16,573) |
| b. SATCOM ground environment | (21,125) | (25,125) | (21,125) | (- 4,000) | (25,125) |
| 119 Advanced multipurpose armored systems (light armored vehicle—mobile protected gun)... | 20,305 | 3,005 | 20,305 | + 17,300 | 8,000 |
| 120 Terminally guided projectile | 0 | 0 | 17,000 | + 17,000 | 2,000 |
| 121 Survivable optical forward acquisition system | 0 | 31,200 | 0 | - 31,200 | 0 |
| 122 Kwajalein Missile Range | 140,965 | 139,965 | 140,965 | + 1,000 | 140,985 |
| 123 Tactical automation | 22,006 | 19,006 | 22,006 | + 3,000 | 21,000 |
| 124 Synthetic flight simulators | 7,773 | 3,973 | 7,773 | + 3,800 | 6,000 |
| 125 Defense research sciences | 172,311 | 166,311 | 172,311 | + 6,000 | 166,000 |
| 126 Classified program | 32,993 | 32,993 | 25,793 | - 7,200 | 25,793 |
| 127 Ballistic Missile Defense Systems Technol- ogy | 301,685 | 301,685 | 301,685 | ..... | 336,685 |
| 128 Battlefield Data System | 0 | 0 | 0 | ..... | 5,000 |
| Programs not in dispute | 2,891,826 | 2,891,826 | 2,891,826 | ..... | 2,891,826 |
| Total, Army R&D | 3,905,200 | 3,910,500 | 3,741,470 | - 169,030 | 3,746,299 |

RESEARCH, DEVELOPMENT, TEST AND EVALUATION SUMMARY OF CONFERENCE ACTION

NAVY—FISCAL YEAR 1982

[In thousands of dollars]

| Item number and description | Budget request March 1981 | Senate—S. 815 as passed May 14, 1981 | House—S. 815 (H.R. 3519) as passed July 16, 1981 | Change from Senate | Conference action |
|--|------------------------------|--|---|-----------------------|----------------------|
| 201 Aircraft technology | 30,198 | 30,198 | 25,000 | - 1,5198 | 25,000 |
| 202 Strike warfare weaponry technology | 31,283 | 31,283 | 20,000 | - 11,283 | 21,283 |
| 203 Major surface combatants | 121,000 | 101,000 | 0 | - 101,000 | 101,000 |
| 204 Directed energy technology | 11,993 | 11,993 | 3,300 | - 8,693 | 8,000 |
| 205 Advanced aircraft subsystems | 5,201 | 5,201 | 0 | - 5,201 | 4,500 |
| 206 Advanced nonnuclear engine (electric drive) | 550 | 5,550 | 0 | - 5,550 | 0 |
| 207 High horsepower engine (Marine Corps) | 0 | 9,460 | 9,500 | + 40 | 9,700 |
| 208 Advanced electronic components | 1,992 | 1,992 | 0 | - 1,992 | 0 |
| 209 Trident II missile system | 239,542 | 239,542 | 145,000 | - 94,542 | 239,542 |

RESEARCH, DEVELOPMENT, TEST AND EVALUATION SUMMARY OF CONFERENCE ACTION—Continued

[In thousands of dollars]

| Item number and description | Budget request March 1981 | Senate—S. 815 as passed May 14, 1981 | House—S. 815 (H.R. 3519) as passed July 16, 1981 | Change from Senate | Conference action |
|--|------------------------------|--|---|-----------------------|----------------------|
| 210 F-14A squads | 11,976 | 11,976 | 21,976 | +10,000 | 17,000 |
| 211 AMRAAM OUE | 2,396 | 2,396 | 0 | -2,396 | 0 |
| 212 Undergraduate jet flight training system.... | 12,409 | 12,409 | 0 | -12,409 | 5,000 |
| 213 Tac air IR countermeasures | 4,831 | 4,831 | 0 | -4,831 | 4,831 |
| 214 V/STOL aircraft development | 14,960 | 14,960 | 0 | -14,960 | 0 |
| 215 Air to ground weapons (IR Maverick) | 19,684 | —16 | 12,000 | +12,016 | 8,600 |
| 216 Medium range air-to-surface missile | 38,111 | 19,011 | 0 | -19,011 | 19,000 |
| 217 Shipboard damage control | 18,739 | 18,739 | 24,739 | +6,000 | 18,739 |
| 218 Radar surveillance equipment | 2,097 | 2,097 | 0 | -2,097 | 0 |
| 219 Retractable Amber | 12,960 | 12,960 | 47,960 | +35,000 | 17,960 |
| 220 Amphibious assault craft | 7,340 | 7,340 | 10,840 | +3,500 | 7,340 |
| 221 Attack submarine development | 19,468 | 5,697 | 10,000 | +4,303 | 5,637 |
| 222 Mine development (advanced) | 21,484 | 21,484 | 27,284 | +5,800 | 23,000 |
| 223 Special test systems | 20,000 | 20,000 | 0 | -20,000 | 0 |
| 224 Avionics development | 15,044 | 15,044 | 8,000 | -7,044 | 13,000 |
| 225 Ship system engineering std. (SEAMOD) ... | 1,999 | 9,999 | 12,000 | +2,001 | 10,000 |
| 226 (Medium Lift Helo) (V/HXM) | 5,229 | 5,229 | 1,000 | -4,229 | 5,229 |
| 227 Navy air combat fighter (F/A-18) | 173,312 | 224,812 | 151,363 | -73,449 | 190,000 |
| 228 Aircraft engine component improvement program | 89,455 | 89,455 | 75,000 | -14,455 | 84,455 |
| 229 Surface-launched weaponry system tech- nology | 57,386 | 57,386 | 70,386 | +13,000 | 60,386 |
| 230 Ship development (engineering) | 89,497 | 55,135 | 77,932 | +22,797 | 70,000 |
| 231 Ship development (advanced) | 20,642 | 44,601 | 0 | -40,601 | 11,000 |
| 232 Fire control systems (electro-optics) | 7,203 | 7,203 | 17,800 | +10,597 | 24,000 |
| 233 Prototype carrier operational test site | 4,997 | 4,997 | 0 | -4,997 | 0 |
| 234 Navigation satellite | 16,841 | 16,841 | 0 | -16,841 | 0 |
| 235 NAVSTAR GPS user equipment | 34,362 | 34,362 | 0 | -34,362 | 0 |
| 236 ELF communications | 34,874 | 34,874 | 5,000 | -29,874 | 34,874 |
| 237 Aircraft propulsion evaluation | 2,865 | 2,865 | 0 | -2,865 | 2,000 |
| 238 Studies and analyses support (Navy) | 7,893 | 7,893 | 9,893 | +2,000 | 7,893 |
| 239 RDT&E instrumentation & material sup- port | 41,579 | 41,579 | 45,579 | +4,000 | 45,579 |
| 240 Survivable, enduring communications (Gryphon) | 22,260 | 25,760 | 22,260 | -3,500 | 25,760 |
| 241 Airborne anti-subwarfare system (ARA- PAHO) | 2,895 | 5,895 | 2,895 | -3,000 | 5,895 |
| 242 Advanced weapons concept (weaponizing prototype) | 0 | 2,044 | 0 | -2,044 | 1,000 |
| 243 I²R Harpoon | 0 | 38,000 | 0 | -38,000 | 0 |
| 244 Diesel electric submarine design | 0 | 5,000 | 0 | -5,000 | 2,500 |
| 245 Battle group AAW coordination (area air defense) | 34,446 | 45,046 | 34,446 | -10,600 | 45,046 |
| 246 Satellite communications (multi-mission SATCOM-EHF) | 12,386 | 36,886 | 12,386 | -24,500 | 36,886 |
| 247 Medical support for amphibious assaults | 0 | 1,000 | 0 | -1,000 | 0 |
| 248 Antiship torpedo defense | 0 | 0 | 3,000 | +3,000 | 500 |
| 249 Special warfare craft | 0 | 0 | 2,000 | +2,000 | 2,000 |
| 250 Surface effects ship | 0 | 0 | 46,000 | +46,000 | 5,000 |
| 251 Major caliber lightweight gun | 0 | 0 | 22,000 | +22,000 | 0 |
| 252 Gas turbine fuel efficiency improvement | 0 | 0 | 7,000 | +7,000 | 7,000 |
| 253 Aerial target system development | 61,989 | 56,989 | 61,989 | +5,000 | 60,000 |
| 254 Aviation support (attack air wings) | 10,983 | 8,983 | 10,983 | +2,000 | 10,983 |
| 255 Undistributed reduction (defensewide mis- sion support) | 0 | -23,000 | 0 | +23,000 | 0 |
| 256 Undistributed reduction | 0 | -19,000 | -35,000 | -16,000 | 0 |
| 257 Classified intelligence program | [Deleted] | +8,400 | 0 | -8,400 | +6,400 |
| 258 Classified program | 24,265 | 24,265 | 10,265 | -14,000 | 14,265 |
| 259 AV-BB + | | 10,000 | 0 | -10,000 | 5,000 |
| 260 Tilt Fan V/STOL Technology | | | | | 10,000 |
| 261 Essex Class (CV-27C) Carrier Evaluation | | | | | 8,800 |

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RESEARCH, DEVELOPMENT, TEST AND EVALUATION SUMMARY OF CONFERENCE ACTION—Continued

[In thousands of dollars]

| Item number and description | Budget request March 1981 | Senate—S. 815 as passed May 14, 1981 | House—S. 815 (H.R. 3519) as passed July 16, 1981 | Change from Senate | Conference action |
|--|------------------------------|--|---|-----------------------|----------------------|
| 262 New Class Aircraft Carrier Design..... | | | | | 10,000 |
| 263 NAVSTAR..... | | | | | 34,000 |
| 264 LHDX..... | | | | | 15,000 |
| 265 Chemical Warfare weapons (Bigeye bomb)..... | 3,731 | 3,731 | 3,731 | | 7,500 |
| Programs not in dispute..... | 4,662,024 | 4,664,024 | 4,664,024 | | 4,664,024 |
| Total, Navy R&D ¹ | 6,086,371 | 6,136,401 | 5,699,531 | -436,870 | 6,072,167 |

¹ Includes \$3,038 in special foreign currency.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION SUMMARY OF CONFERENCE ACTION

AIR FORCE—FISCAL YEAR 1982

[In thousands of dollars]

| Item number and description | Budget request March 1981 | Senate—S. 815 as passed May 14, 1981 | House—S. 815 (H.R. 3519) as passed July 16, 1981 | Change from Senate | Conference action |
|---|------------------------------|--|---|-----------------------|----------------------|
| 301 Hyper-velocity missile program..... | 8,100 | 8,100 | 15,000 | +6,900 | 11,000 |
| 302 Advanced ballistic reentry system..... | 49,000 | 49,000 | 100,000 | +51,000 | 125,000 |
| 303 Counter SUAWACS technology..... | 10,400 | 10,400 | 0 | -10,400 | 0 |
| 304 Advanced technology cruise missile..... | 30,100 | 30,100 | 0 | -30,100 | 30,100 |
| 305 B-52 CTA..... | 21,100 | 11,100 | 3,000 | -8,100 | 0 |
| 306 B-52 squads (EMP Hardening)..... | 141,000 | 124,500 | 91,000 | -33,500 | 96,000 |
| 307 Minuteman squadrons..... | 33,000 | 33,000 | 38,500 | +5,500 | 38,500 |
| 308 Advanced tactical fighter..... | 10,100 | 10,100 | 0 | -10,100 | 0 |
| 309 Combat aircraft prototype..... | 22,100 | 22,100 | 0 | -22,100 | 0 |
| 310 EF-111A..... | 14,200 | 14,200 | 5,000 | -9,200 | 9,200 |
| 311 C-X..... | 245,700 | 1,000 | 20,000 | +19,000 | 0 |
| 312 Night precision attack..... | 87,600 | 87,600 | 60,200 | -27,400 | 87,600 |
| 313 Joint tactical fusion program..... | 9,800 | 9,800 | 6,800 | -3,000 | 9,800 |
| 314 Chem/bio defense equipment..... | 8,800 | 8,800 | 16,800 | +8,000 | 12,800 |
| 115 Low altitude airfield attack system (JP- 233)..... | 60,000 | 60,000 | 0 | -60,000 | 0 |
| 316 Defense Research Sciences..... | 139,500 | 137,500 | 139,500 | +2,000 | 139,500 |
| 317 Low-level laser-guided bomb..... | 8,300 | 8,300 | 10,300 | +2,000 | 10,000 |
| 318 PAVE MOVER..... | 5,200 | 5,200 | 6,200 | +1,000 | 5,700 |
| 319 Medium-range air-to-surface missile (Adv Conventional Standoff Missile)..... | 49,100 | 49,100 | 79,100 | +30,000 | 49,100 |
| 320 Reconnaissance equipment..... | 13,000 | 13,000 | 11,400 | -1,600 | 11,400 |
| 321 Protective Systems..... | 108,900 | 108,900 | 93,900 | -15,000 | 108,900 |
| 322 F-16 squads..... | 42,200 | 42,200 | 18,000 | -24,200 | 57,500 |
| 323 Simulator Validation..... | 1,400 | 1,400 | 0 | -1,400 | 0 |
| 324 NAVSTAR GPS user equipment..... | 166,100 | 166,100 | 0 | -166,100 | 166,000 |
| 325 Development planning..... | 3,200 | 2,200 | 0 | -2,200 | 0 |
| 326 Advanced aerial target development..... | 12,300 | 12,300 | 16,800 | +4,500 | 12,300 |
| 327 Advanced warning systems..... | 12,400 | 10,000 | 12,400 | +2,400 | 10,000 |
| 328 SLBM radar warning system..... | 0 | 3,800 | 0 | -3,800 | 3,800 |
| 329 EMP Hardening—Critical Facilities..... | 0 | 200 | 0 | -200 | 200 |
| 330 PACCS (EMP Hardening)..... | 9,400 | 11,400 | 9,400 | -2,000 | 11,400 |
| 331 AF SATCOM System (EHF)..... | 50,100 | 87,100 | 50,100 | -37,000 | 82,100 |
| 332 MEECN (VLF/LF Imp.)..... | 45,600 | 51,200 | 45,600 | -5,600 | 51,200 |
| 333 Close air support weapon system (IR Maverick)..... | 14,600 | 31,600 | 14,600 | -17,000 | 25,000 |
| 334 Air-to-ground enhancements (F-15)..... | 57,100 | 29,800 | 57,100 | +27,300 | 29,800 |
| 335 Flight simulator development..... | 26,500 | 16,900 | 26,500 | +9,600 | 16,900 |
| 336 Utah Test and Training Range..... | 11,800 | 1,800 | 11,800 | +10,000 | 1,800 |
| 337 Space-based laser weapons..... | 0 | 30,000 | 0 | -30,000 | 0 |

RESEARCH, DEVELOPMENT, TEST AND EVALUATION SUMMARY OF CONFERENCE ACTION—Continued

[In thousands of dollars]

| Item number and description | Budget request March 1981 | Senate—S. 815 as passed May 14, 1981 | House—S. 815 (H.R. 3519) as passed July 16, 1981 | Change from Senate | Conference action |
|---|------------------------------|--|---|-----------------------|----------------------|
| 338 Aircraft engine component improvement program | 128,300 | 124,100 | 128,300 | + 4,200 | 125,000 |
| 339 Space surveillance technology | 28,800 | 23,800 | 28,800 | + 5,000 | 23,800 |
| 340 Management HQ (Res/Dev) | 22,900 | 20,900 | 22,900 | + 2,000 | 22,900 |
| 341 Acquisition and command support | 259,400 | 248,400 | 259,400 | + 11,000 | 253,000 |
| 342 DOD common program lang advance development | 7,000 | 5,000 | 7,000 | + 2,000 | 7,000 |
| 343 Undistributed reduction (Defensewide mission support) | 0 | - 23,000 | 0 | + 23,000 | 0 |
| 344 Classified programs | 875,233 | 910,433 | 879,633 | - 30,800 | 941,833 |
| 345 Future fighter mission analysis | | | | | 5,000 |
| 346 Airlift enhancements | | | | | 15,000 |
| 347 M-X | 2,423,200 | 2,423,200 | 2,423,200 | | 1,875,200 |
| 348 Classified program | | | | | 80,000 |
| Programs not in dispute | 4,125,467 | 4,125,467 | 4,125,467 | | 4,125,467 |
| Total, Air Force R&D | 9,398,100 | 9,158,100 | 8,833,700 | - 324,400 | 8,686,800 |

RESEARCH, DEVELOPMENT, TEST AND EVALUATION SUMMARY OF CONFERENCE ACTION

DEFENSE AGENCIES—FISCAL YEAR 1982

[In thousands of dollars]

| Item number and description | Budget request March 1981 | Senate—S. 815 as passed May 14, 1981 | House—S. 815 (H.R. 3519) as passed July 16, 1981 | Change from Senate | Conference action |
|---|------------------------------|--|---|-----------------------|----------------------|
| 401 Defense Map Agency | 25,907 | 25,907 | 26,907 | + 1,000 | 26,907 |
| 402 OSD and OASDS | 28,103 | 27,103 | 20,000 | - 7,103 | 20,000 |
| 403 Strategic Tech (DARPA) | 151,431 | 183,431 | 171,931 | - 11,500 | 177,431 |
| a. Radius white | (9,920) | (9,920) | (28,420) | (+ 18,500) | (28,420) |
| b. Teal Rain | (14,000) | (14,000) | (15,500) | (+ 1,500) | (15,500) |
| c. Teal Dawn | (9,500) | (9,500) | (0) | (- 9,500) | (9,500) |
| d. Laser communication | (20,200) | (40,200) | (30,200) | (- 10,000) | (30,200) |
| e. Carbon-carbon mat | (0) | (2,000) | (0) | (- 2,000) | (1,000) |
| f. Space-based laser weapon | (59,200) | (79,200) | (59,200) | (- 20,000) | (64,200) |
| g. Strategic Tech (general) | (38,611) | (28,611) | (38,611) | (+ 10,000) | (28,611) |
| 404 Materials Processing Tech (DARPA) | 13,500 | 10,500 | 13,500 | + 3,000 | 13,500 |
| 405 Exper. Eval./Maj. Innov. Tech. (DARPA) | 279,640 | 271,640 | 279,640 | + 8,000 | 271,640 |
| 406 National Security Agency | [deleted] | 0 | - 8,000 | - 8,000 | - 8,000 |
| 407 Defense reconnaissance support activities | do | 0 | - 25,000 | - 25,000 | - 26,000 |
| 408 Defense Communication Agency (long haul communications) | 19,550 | 19,700 | 19,500 | - 150 | 19,700 |
| 409 Defense Nuclear Agency | [deleted] | - 3,000 | 0 | + 3,000 | - 14,000 |
| Classified intelligence program | do | + 3,100 | 0 | - 3,100 | + 2,400 |
| Programs not in dispute | 1,416,269 | 1,416,269 | 1,416,269 | | 1,416,269 |
| Total ¹ Defense Agencies R. & D. | 1,934,400 | 1,954,650 | 1,914,797 | - 39,853 | 1,899,847 |

¹ Includes \$53,000 for Director, Test and Evaluation.

As shown, the conferees agreed on a total authorization for RDT&E of \$20,405,113,000. The details of the differences between the Senate bill and the House amendment and the positions adopted by the conferees are reflected in the following tables. It should be noted that the March budget submission is used as the request in the "Budget Request" column of these tables. The conferees agreed that with the exception of those programs specifically iden-

tified in the tables, all other programs would be approved at the authorization levels requested in the March budget submission.

ADVANCED AIRCRAFT SUBSYSTEMS

The Department of Defense requested authorization of \$5.201 million for the Navy Advanced Aircraft Subsystems program.

The Senate bill authorized the full request; the House amendment denied authorization for this program.

The conferees agreed to an authorization of \$4.5 million with the understanding that \$1 million of this authorization is only for the development of a tri-service helicopter escape system.

ADVANCED BALLISTIC RE-ENTRY SYSTEM (ABRES)

The Department of Defense requested \$49 million for the Air Force Advanced Ballistic Re-Entry System program.

The Senate bill authorized the entire request. The House amendment provided additional authorization for \$51 million to maintain a stable level of effort in the ABRES program in view of the Soviet advances in strategic technology.

The conferees agreed to an authorization of \$125 million consistent with the Defense Science Board Summer Study recommendation that this program serve as the development activity for concepts to ensure intercontinental ballistic missile survivability through synergism between offensive and defensive systems. Accordingly, the conferees agreed to additional authorization to continue deceptive basing efforts for land-based missiles and radars. Of the \$125 million authorized, therefore, not less than \$25 million shall be available for the support of such deceptive basing efforts.

ADVANCED CRUISE MISSILE TECHNOLOGY

The Air Force requested \$30.1 million for the Advanced Cruise Missile Technology (ACMT) program. The Senate bill authorized the full amount requested for the ACMT program; the House amendment deleted the entire request.

The ACMT program is structured to investigate advanced concepts in cruise missile propulsion, avionics and airframe design. The conferees agreed to provide \$30.1 million for this program with the understanding that none of these funds are to be used to initiate the Teal Dawn program. The conferees further agreed that high priority should be given to the development of an improved cruise missile engine with high thrust and improved fuel consumption characteristics. Accordingly, the conferees agreed that of the \$30.1 million, \$17.5 million should be used to continue the development of an advanced cruise missile propulsion system. This funding is to be used only to support engineering development of the F107-14A6 engine with the objective of initiating production of that engine by mid-1984. All other ongoing ACMT engine developments should be terminated with the understanding that a second source will be qualified for production of the F107-14A6 engine.

The conferees believe that maximum benefit should be realized from development of the F107-14A6 engine and, therefore, request that the Air Force and Navy evaluate the operational benefits to be gained from incorporating this engine in the air, ground and sea launched versions of the cruise missile family.

The House recedes with an amendment.

AIR FORCE TACTICAL INITIATIVES

The Department of Defense requested authorization for several proposed Air Force initiatives directed toward improving the capabilities of our tactical fighter aircraft. Included in these initiatives were the F-16 squadrons Multi-Stage Improvement Program (MSIP), F-16E, F-15E Air to Ground Enhancements, Combat Aircraft Prototype and the Advanced Tactical Fighter.

The Department of Defense requested \$42.2 million for the F-16 MSIP. This program would provide for evolutionary improvements to the F-16 that would substantially enhance the aircraft's capabilities. The Senate bill authorized the full request. The House amendment reduced the request by \$24.2 million.

The conferees agreed to authorize the full MSIP requirement and approved an additional \$15.3 million to be applied to the flight demonstration of the F-16E. It is the understanding of the conferees that \$7 million would be required to fund the F-16E flight demonstration scheduled for the summer of 1982. The conferees believe that the higher projected gross weight of the F-16E (48,000 pounds) may require an engine with greater thrust than is currently available in the F-16. Therefore, an additional \$8.3 million is provided to support a flight test evaluation of the F-16E using competitive, derivative engines.

The conferees deleted the Department's request for \$27.3 million to begin development of the F-15E, the interdiction version of the F-15. This decision does not foreclose consideration of the F-15E. However, it does reflect congressional opposition to the enhancement of the F-15 in the air-to-ground role prior to receiving a comprehensive explanation of the Air Force's plan to meet its air-to-ground requirements.

The conferees also denied authorization for the combat aircraft prototype program and the advanced tactical fighter program. It was agreed that derivatives of existing fighters (e.g. F-16 and F-15) would extend our fighter capability well into the 1990's. Following a course of evolutionary improvements should provide the greatest capability at the most reasonable cost.

However, the conferees fully realize the need to maintain a viable research and development effort to insure that the capabilities of our forces are not overtaken by revolutionary improvements in the capabilities of our potential adversaries. This risk is particularly great in the development of fighter aircraft because a minimum of about 10 years is required to field a new fighter. Therefore, to insure that research is undertaken in this area, the conferees agreed to authorize \$5 million for a new program entitled Future Fighter Mission Analysis. Under this program the Air Force may begin to identify the future threat and the requirements for its next generation fighter aircrafts.

AVIONICS DEVELOPMENT

The Department of Defense requested \$15.044 million for the Navy's Avionics Development program of which \$7.044 million was intended for the product improvement of the AYK-14 computer and the qualification of a second source for computer production.

The Senate bill provided full authorization for the program; the House amendment denied funds for AYK-14 product improvement and second source qualification.

The House action resulted from concern over the Navy plan to place responsibility for the establishment of the second source under the direction of the prime contractor. Further, it was the judgment of the House that product improvement of the AYK-14 should not be initiated until a second source has been selected.

The conferees agreed to provide authorization of \$13 million predicated upon the following:

The Office of the Secretary of Defense advises the Committees on Armed Services of the Senate and House of Representatives that a cost and performance comparison of the AYK-14 and the Air Force standard military computer has been completed and that a requirement exists to procure both systems.

If the requirement for discrete systems can be demonstrated, the Navy, with the assistance of the prime contractor, shall select and qualify a second source for AYK-14 production.

Product improvement of the AYK-14 be deferred until a second source has been selected and the Navy advises the Committees on Armed Services of the Senate and House of Representatives in writing that both the prime contractor and second source will be capable of incorporating enhanced capability into the baseline and product improved computers.

BALLISTIC MISSILE DEFENSE/SOFAS

The March 1981 budget request sought authorizations of \$126.8 million for the Ballistic Missile Defense (BMD) Advanced Technology program, \$301.7 million for the BMD Systems Technology program and \$140.9 million for support of the Kwajalein Missile Range. The Senate reduced the request for the Kwajalein Missile Range by \$1 million and initiated the Survivable Optical Forward Acquisition System (SOFAS) with an addition of \$31.2 million. The House amendment approved the March request for the overall Ballistic Missile Defense program. The October revised budget request recommended an additional \$52 million for the BMD Systems Technology program.

The conferees agreed to the request of \$140.9 million for the Kwajalein Missile Range and \$126.8 million for the BMD Advanced Technology program and agreed to provide an additional \$35 million to the BMD Systems Technology program resulting in a total authorization of \$175.9 million for this program. The Senate reluctantly recedes on SOFAS. The Congress has requested a report that will address the Administration's recommendations on BMD technology, including an assessment of both endoatmospheric and exoatmospheric intercept systems, and the use of related technologies for non-BMD missions such as those that could be performed by the Survivable Optical Forward Acquisition System. The conferees believe that after receipt of this report the Congress will be better able to assess the desirability of reallocating and enhancing investments in BMD and BMD-derived technologies and the impact on the BMD mission of the President's decision to cancel Multiple Protective Structure basing for the MX missile.

BATTLE GROUP ANTI-AIR WARFARE COORDINATION (AREA AIR DEFENSE)

The President's March budget request contained \$34.446 million for area air defense.

The Senate bill recommended authorization of \$45.046 million, adding \$10.6 million for battle group AAW coordination.

The House amendment recommended authorization as requested in the President's March budget.

In view of the importance of correcting problems in the fleet surrounding the poor correlation of targets between ships and improving battle management by permitting electronic response between AEGIS and non-AEGIS ships, the conferees agreed to an authorization of \$45.046 million.

The House recedes.

CHEMICAL BIOLOGICAL DEFENSE EQUIPMENT

The Department of Defense requested \$8.8 million for the Air Force Chemical Biological Defense Equipment program.

The Senate bill authorized the full request; the House amendment provided additional authorization of \$8 million resulting in a total authorization of \$16.8 million.

The conferees recognize the severity of the Soviet chemical warfare offensive threat and, accordingly, agreed to authorization of \$12.8 million. The conferees intend that this authorization be used for full-scale engineering development and production of the Air Force alternate concept for chemical warfare defense. The conferees are advised that this system includes an air cooled personnel protection ensemble, shower decontamination system, an area warning system for air base alert and other subsystems that will greatly enhance the ability of our combat forces to defend against the chemical threat.

COMMAND, CONTROL AND COMMUNICATIONS INITIATIVES

The Senate authorized a series of initiatives aimed at improving the nation's command, control and communications network. The conferees agreed that these upgrades, involving the hardening of critical facilities against electromagnetic pulse effects of nuclear attack, the expansion of strategic warning capabilities, the enhancement of antijam protection for existing C³ systems, and increased research and development funds for the acceleration of key C³ modernization efforts are long overdue.

Subsequent to the Senate's action, the President announced, as part of his strategic force modernization decision, that he intended to embark upon an aggressive program of C³ improvements. While the details of the Administration's strategic command, control and communications program have not yet been finalized, the conferees agreed that the Senate initiatives are consistent with and supportive of the objectives of the President's program.

The House recedes.

Details of conference action are shown in the table below.

Conference action—Command, control and communication research and development initiatives

[In millions of dollars]

| | | |
|--|--|--------|
| Army: | | |
| Electric Power Modernization..... | | 0.5 |
| SATCOM Ground Environment..... | | 41.638 |
| Navy: | | |
| Survivable, Enduring Communications..... | | 25.76 |
| Satellite Communications..... | | 36.886 |
| SLBM Radar Warning System..... | | 3.8 |

| | |
|--|------|
| Air Force: | |
| EMP Hardening—Critical Facilities..... | 0.2 |
| PACCS EMP Hardening..... | 11.4 |
| AFSATCOM System (EHF)..... | 82.1 |
| MEECN VLF/LF | 51.2 |
| Defense Agencies: Defense Communications Agency (Longhaul Comm.) | 19.7 |

COUNTER-SUAWACS

The Department of Defense requested authorization for \$10.4 million for the Air Force Counter SUAWACS (Soviet Union Air Warning and Control System) program.

The Senate bill authorized the entire request; the House amendment denied the authorization for this program.

The conferees agreed to delete the Administration's request for the Counter-SUAWACS program. Several of the initiatives planned for Counter-SUAWACS are duplicated in other programs. There are, however, two elements of this program which are not being duplicated and which are fully supported by the conferees. These two elements have been identified to the Air Force. To fund these initiatives the conferees agreed to an increase of \$5 million above the House amendment to the B-52 squadrons program for a total authorization of \$96 million for this program.

CX/AIRLIFT ENHANCEMENTS

The President's March budget request contained \$245.7 million for the research and development of the CX cargo transport aircraft.

The Senate bill provided authorization of \$1 million.

The House amendment authorized \$20 million in Title II for the CX and \$150 million in Title I to procure existing wide-bodied cargo transport aircraft to enhance strategic mobility. The House amendment further provided that the funds authorized by Title I could, in accordance with established reprogramming procedures, be transferred to Title II if the Department of Defense could justify research and development of a new cargo transport aircraft rather than the procurement of existing aircraft.

The conferees agreed that a firm requirement exists to augment current U.S. airlift capabilities. Various alternatives for this augmentation are being considered, including existing wide-bodied aircraft and the conceptual C-17, the winner of the CX competition. The conferees, however, have not been provided with sufficient information concerning the costs and benefits of the various alternatives that would permit full authorization of this program.

The conferees agreed to an authorization of \$15 million for research and development, in combination with \$150 million for procurement, to initiate an airlift augmentation program. The authorization may be applied to the airlift augmentation alternatives currently under consideration, including the C-17N and C-5 aircraft. However, none of these funds or CX research and development funds remaining available from fiscal year 1981 are to be obligated until 30 days after the Department of Defense has provided to the Committees on Armed Services of the Senate and House of Representatives its recommendations for an airlift augmentation program and justification for such program.

ESSEX CLASS (CV-27C) CARRIER EVALUATION

The conferees agreed to an authorization of \$8.8 million for surveys, studies and engineering assessments necessary for the preparation of a budget quality ("class C") estimate of the cost of reactivation of a ship of the Essex class (CV-27C).

EXTREMELY LOW FREQUENCY COMMUNICATION SYSTEM (ELF)

The Senate bill authorized the \$34.874 million requested by the Administration for an Extremely Low Frequency communication system. The House amendment authorized only \$5 million, citing the failure of the President to comply with statutory direction provided in the Defense Authorization bill for fiscal year 1981. That legislation called for a report by the President on his plans for deployment of an ELF system together with a site selection decision.

On October 8, 1981, the President announced his decision to proceed with a scaled-down version of the ELF communications system to be located in the Upper Peninsula of Michigan and in Wisconsin. The conferees agreed to provide \$34.874 million to the Navy for the purpose of initiating the President's proposed ELF program.

The House recedes.

FIRE CONTROL SYSTEMS (ELECTRO-OPTICS)

The President's March budget request contained \$7.203 million for the Infra-Red Search and Track (IRST) system.

The Senate bill recommended authorization of the President's request.

The House amendment recommended no authorization for the IRST system, but recommended authorization of \$17.8 million for the SEAFIRE electro-optical fire-control system.

In view of the importance of these programs to the development of the Major Surface Combatant (DDGX), as well as their importance for application to a wide variety of current and future surface combatants, the conferees agreed to the authorization of \$24 million to continue both programs.

The Senate recedes with an amendment.

GAS TURBINE FUEL EFFICIENCY IMPROVEMENTS

The House amendment added \$7 million to the Navy research and development request to initiate a program to improve the fuel efficiency of marine gas turbine propulsion systems.

The Senate bill contained no similar increase.

The conferees agreed to an authorization of \$7 million and strongly endorse this initiative, considering it to be an important adjunct to the Rankine Cycle Energy Recovery (RACER) program initiated by Congress in fiscal year 1981. The conferees are pleased that the Navy has allocated \$5 million within the Advanced Ship Propulsion program to permit a fiscal year 1981 start on prototype construction of the RACER system. The conferees encourage the Navy to vigorously pursue both the RACER program and this new initiative so as to effect improved fuel efficiency in its gas turbine powered ships at the earliest possible date.

The Senate recedes.

LONG RANGE COMBAT AIRCRAFT (LRCA)

The Department of Defense requested \$302 million for research and development of the Air Force Long Range Combat Aircraft (LRCA).

The Senate bill and the House amendment provided the full authorization, however, the authorization in both instances was predicated upon restrictive legislative provisions (section 901 of the Senate bill and section 202 of the House amendment.)

The House amendment limited the authorization for these funds, as well as the authorization provided in Title I, to full scale engineering development and initial procurement of the B-1 manned strategic bomber. Additionally, the House amendment provided that the Secretary of Defense was to proceed concurrently with the research, development, test and evaluation of an advanced technology bomber.

The Senate bill prohibited obligation of the authorized funds for any LRCA for a period of 60 days following the President's decision regarding selection of a LRCA and permitted expenditures thereafter only if both Houses of Congress did not adopt resolutions of disapproval during that period.

The conferees agreed to authorize \$302 million for LRCA RDT&E but included the provision in section 202 that no funds authorized for appropriation by the Defense Authorization Act of 1982 could be obligated or expended full scale engineering development and procurement for LRCA before November 18, 1981, and no funds could be obligated or expended for such purpose on or after this date if, in the interim, the Senate and House of Representatives each pass a resolution of disapproval of the President's bomber decision of October 2, 1981. Additionally, the conferees agreed to retain language of a Senate provision designed to expedite consideration of a resolution of disapproval in the Senate.

MAJOR SURFACE COMBATANT

The President's March budget request contained \$121 million for the design and development of the Navy's DDG-X major surface combatant ship.

The Senate bill conditionally recommended authorization of \$101 million, citing insufficient definition of the specific performance and engineering goals of the program.

The House amendment recommended deletion of all funds requested for authorization, based on the assessment that the Navy's emphasis on cost to the apparent exclusion of performance would result in a ship with limited combat capability. Subsequently, the Secretary of the Navy acknowledged the concern of the Congress and advised the Committees on Armed Services of the Senate and the House of Representatives that a firm decision had been made to proceed with an 8,500-ton design that would include a steel deckhouse; chemical/biological defensive capability; the Vertical Launch System adapted for the Tomahawk, ASROC, and Standard missiles; a 5-inch gun incorporating terminally guided projectiles and the Seafire control system; a modified AEGIS AAW system, and various other important subsystems. Together, these would all help make the DDG-X a combat capable platform to greatly enhance the Navy's war-fighting capability for the future.

The conferees agreed to an authorization of \$101 million. Of the total authorization, \$5.5 million is for research of electric drive propulsion systems, \$81 million is for the platform and associated combat systems, and the remaining \$14.5 million is for the advanced lightweight sonar.

The House recedes with an amendment.

MARINE CORPS HIGH HORSEPOWER ENGINE

The Senate bill provided \$9.46 million for authorization of continued research and development of a high horsepower engine for possible use in future Marine Corps vehicles. It also specified that the authorization be used to study several optional engine designs offering high power-to-weight ratios, including the stratified charge diesel rotary combustion engine but also including lightweight, high RPM diesel engines and other potential technologies. The Senate bill further directed the Marine Corps to address and report on the reliability, maintainability and logistics aspects of its prospective choice before requesting additional funds for any specific type of engine.

The House amendment provided \$9.5 million for this effort and directed that the authorization be used to continue the development of the stratified charge diesel rotary combustion engine the Marine Corps has had under development for the past several years.

The conferees were informed by the Marine Corps that \$9.5 million would be required in fiscal year 1982 to continue the development of the stratified charge diesel rotary combustion engine and an additional \$200,000 would be needed to carry out the study directed by the Senate. The conferees, therefore, agreed to provide \$9.7 million for the program, of which \$9.5 million is to be used to continue development of the stratified charge diesel rotary combustion engine. The remaining \$200,000 is to be used to carry out the analysis requested by the Senate. The conferees further agreed that the Marine Corps should provide a report prior to March 1, 1982 to the Committees on Armed Services of the Senate and House of Representatives on the reliability, maintainability and logistics issue raised by the Senate.

The Senate recedes with an amendment.

MEDIUM LIFT HELICOPTER

The Department Defense requested \$5.229 million for the Navy's V/HXM program to develop a marine Corps Medium Lift Helicopter.

The Senate bill authorized the full request; the House amendment reduced the request by \$4.229 million.

The House action emanated from concern that the Marine Corps was being limited to the procurement of older technology off-the-shelf aircraft—an action that was not in consonance with Marine Corps requirements for its assault mission. The currently used H-46 and CH-53 A/D aircraft now comprise the Marine assault capability and were procured during the period 1962-1971.

The conferees are aware that new technologies have been proven by the National Aeronautics and Space Administration (NASA) and the Army—technologies such as the XV-15 tilt rotor that are now ready for production applications. The new systems offer deployability that is independent of ship size and refueling aircraft

and present the opportunity for doctrinal changes, expanded capabilities and response times. Accordingly, the conferees agree to an authorization for \$5.229 million with the understanding that the Marine Corps request for proposals for an assault system will not exclude new technology systems such as the XV-15.

MEDIUM RANGE AIR-TO-SURFACE MISSILE

The Department of Defense requested authorization for \$38.111 million for the Navy's Medium Range Air-to-Surface Missile (MRASM) program and \$49.1 million for the Air Force participation in this program.

The Senate bill provided authorization in the amount of \$19.011 million for the Navy and the full authorization request for the Air Force. The House amendment denied all funds for the Navy program and provided a total authorization of \$79.1 million for the Air Force.

The conferees agreed to the level and distribution of authorization as provided by the Senate bill with the understanding that none of these funds would be used for the Navy's Imaging Infrared Harpoon Missile. This action is in accordance with the plan submitted to the Committees on Armed Services by the Under Secretary of Defense for Research and Engineering to develop a joint MRASM for Air Force and Navy use.

MK 92 GUN FIRE CONTROL SYSTEM UPGRADE PROGRAM

The Department of Defense requested \$57.38 million for the Navy's surface launched weaponry system technology program.

The Senate bill authorized the full request; the House amendment provided additional authorization for \$13 million of which \$10 million was authorized for acceleration of the Mk 92 upgrade program and \$3 million was authorized to accelerate development of the New Threat Upgrade System.

The conferees were advised that additional authorization for the Mk 92 program was not required at this time, because the Navy has authorization remaining from fiscal year 1981. While additional authorization was not provided for fiscal year 1982, the conferees emphasize the importance of accelerating the Mk 92 upgrade program including the new phased array radar that is intended to provide a significant increase in the anti-air warfare capability of the Mk 92 equipped class of FFG-7 frigates. The additional authorization for \$3 million for the New Threat Upgrade program was agreed to by the conferees providing a total authorization for the surface launched weaponry system technology program of \$60.38 million.

MX MISSILE AND BASING MODE

The March 1981 Department of Defense budget request for fiscal year 1982 sought \$2.4232 billion for research and development relating to the MX missile and MX missile basing program.

The Senate bill and House amendment authorized the amount requested.

In view of the Administration's March 1981 decision to review possible basing mode options for the MX intercontinental ballistic missile system, other than the Congressionally mandated deployment of 200 missiles in 4,600 shelters, the Senate bill prohibited obligation or expenditure of funds authorized for appropriation until:

The President submits to Congress a specific MX basing program;

The Secretary of Defense submits a justification for the President's decision along with a comparison of alternatives; and

Sixty days have passed during which both Houses of Congress have not adopted resolutions of disapproval.

The House amendment contained a similar provision with regard to the MX missile basing mode.

On October 2, 1981, the President announced cancellation of the Multiple Protective Shelter (MPS) basing mode for the MX missile and reduced the request for research and development funds for the MX missile and basing mode to \$1.95 billion.

The conferees agreed that it is incumbent upon the Committees on Armed Services to fully investigate all aspects of the President's strategic modernization program, as announced on October 2, 1981, and further agreed to retain the legislative veto provision regarding MX basing modes provided by the Senate bill and House amendment.

Accordingly, the conferees agreed to an authorization of \$1,875,200,000 for MX missile and basing development with a provision (sec. 203) that no funds authorized by the Defense Authorization Act for fiscal year 1982 could be obligated or expended for the development of an MX missile basing mode before November 18, 1981, and that none of those funds could be obligated for such purpose on or after that date, if prior to November 18, 1981, the Senate and House of Representatives agree to a resolution of disapproval of the President's decision of October 2, 1981. The conferees agreed to retain language of a Senate provision designed to expedite consideration of a resolution of disapproval in the Senate.

The conferees also agreed that no funds authorized for appropriation by the Defense Authorization Act for fiscal year 1982 could be used for research and development of an aircraft launching mode for the MX missile.

NAP-OF-THE-EARTH AVIATION AND NAVIGATION EQUIPMENT

The Department of Defense requested \$6.292 million for this Army program of which \$3.944 million was specifically for the development of a Joint Tactical Microwave Landing System (JTMLS). The Senate bill provided full authorization; the House amendment denied authorization for the JTMLS.

The conferees agreed to deny authorization for the JTMLS without prejudice. The conferees expressed concern that the Army was developing JTMLS to ensure landing system compatibility with general aviation as opposed to being compatible with other services. In the view of the conferees, the requirement to develop the JTMLS has not been made. The Marine Corps, for example, is procuring a tactical landing system—the Marine Remote Area Approach and Landing System (MRAALS).

The conferees intend that no authorization be provided for the development of the JTMLS at this time. A reprogramming will be considered if the Department of Defense can justify, in terms of cost and performance, the need for discrete landing systems for the services, as well as the requirement for compatibility with general aviation.

NAVSTAR GLOBAL POSITIONING SYSTEM

The Department of Defense requested \$73.6 million for procurement of production satellites for the Navstar/Global Positioning System. The Department also sought \$238.305 million to continue research and development of the Army, Navy and Air Force user equipment and associated hardware.

The Senate bill provided the full request and suggested that this program be considered for multi-year procurement as a means of acquiring the presently-planned 18-satellite constellation at a substantial savings. Additionally, the block-buy approach could permit a significantly larger constellation of 24 satellites to be procured for approximately the same total investment as would be required to deploy the smaller system if incrementally procured.

The House amendment deleted all funds for the GPS program and recommended that the program be terminated. The House action was prompted by the concern that the overall price for the GPS is "far too high for the additional capability it would ultimately provide if it performed as planned." The House also expressed concern about the survivability of the system in a wartime environment.

The conferees recommend authorization of \$200 million in research and development funds for the GPS program and deletion of the procurement funds. The \$200 million in R&D provides \$166 million for the Air Force, \$34 million for the Navy and no authorization for the Army. The conferees agreed that the Army could submit a reprogramming request for R&D funding for the GPS if, in the Army's view, the program is of sufficient priority to warrant such a request.

The conferees believe the Department of Defense is unnecessarily shouldering the entire burden of the GPS development, acquisition and operating costs particularly recognizing that other federal government and civil uses for the GPS would be as numerous as military uses. The conferees therefore agreed that the Department of Defense should provide to the Committees on Armed Services of the Senate and House of Representatives, not later than March 1, 1981, a comprehensive plan for recouping from other Federal government and civil users as much of the development, acquisition and operating costs of the GPS system as is deemed feasible. This plan should include recommendations for any necessary statutory authority to accomplish this cost recoupment.

The conferees are aware that the GPS has, at times, not enjoyed high priority within the services. The conferees wish to inform the Department of Defense that continuing Congressional support for this program will be contingent upon the nature of the Department of Defense priority assigned in the development and fielding of this system and that any further slippage in the currently planned Initial Operational Capability (IOC) date may result in program termination.

The House reluctantly recedes with an amendment.

NEW CLASS AIRCRAFT CARRIER DESIGN

The Senate bill recommended authorization of \$23 million for the research associated with the design of a new class of aircraft carrier. The President's budget contained no funds for this purpose, and the House amendment recommended no funds for this purpose.

The conferees agreed that there are currently an insufficient number of platforms in the fleet (even with the projected 15 carrier fleet) to support sea-based aviation at a level that would satisfy the increased commitments of our naval forces. The conferees also agreed that the Navy should submit by March 15, 1982, the most operationally feasible aircraft carrier design that would (1) be approximately 40,000 tons and capable of operating conventional take-off and landing (CTOL) aircraft; (2) be capable of being built in a greater number of shipyards than is currently the case; and (3) be able to serve as an adjunct to and not a replacement for the large deck carriers that the conferees agree are and will continue to be the nucleus of the carrier battle group. The design for the carrier should be sufficiently detailed to permit decision by the Congress as to whether it should be authorized. The Navy should advise the Congress of its assessment of the design, including a recommendation as to whether the ship should be built, along with the reasons for the recommendation.

The conferees understand that approximately \$10 million authorized and appropriated in fiscal year 1981 for preparation of alternate carrier designs remain available and direct that these funds be used for this purpose. In addition, the conferees agreed to an authorization of \$10 million in fiscal year 1982 for a total of \$20 million.

NIGHT PRECISION ATTACK

The Department of Defense requested authorization for \$87.6 million for development of the Air Force Low Altitude Navigation and Targeting Infrared for Night (LANTIRN) electro-optical pod system.

The Senate bill authorized the full request; the House amendment authorized \$60.2 million, a reduction of \$27.4 million.

The conference report accompanying the Department of Defense Authorization Act for fiscal year 1980 (Public Law 96-107) expressed concern over the proliferation of electro-optical pods. This report requested that the Air Force, Army and Navy devise a plan to reduce the number of types of pods being developed and procured by the services in order to achieve maximum commonality. The Air Force plan to develop a new targeting pod—the LANTIRN—for the F-16 aircraft rather than modify the Navy's F-18 pod represented a departure rather than a step toward commonality.

The conferees recognize that electro-optical pods greatly enhance the capability of tactical aircraft in the air-to-ground mission. These systems, however, are expensive, and service commonality could reduce development and procurement costs thereby allowing a greater number of aircraft to be equipped with pods.

Recognizing the requirement for an electro-optical pod for the F-16 aircraft, the House recedes. The conferees, however, agreed that the authorization is predicated upon the following conditions:

The Air Force will conduct a competitive hardware development program between the LANTIRN targeting pod and either a product improved variant of the Navy's F-18 pod or another existing electro-optical pod of similar capability that can meet the Air Force current LANTIRN development program schedule.

The target recognizer capability will be continued in the advanced development phase with full competition until such time as the technology is proven.

The Air Force will investigate various alternatives to meet the navigation requirements for the F-16 aircraft including modifications to the aircraft radar to provide terrain following capability.

SHIP DEVELOPMENT (ADVANCED)

The President's March budget request contained \$20.642 million for advanced ship development, including advanced design funds for the FFX class Corvette.

The Senate bill recommended authorization of \$44.601 million. This included a recommendation for an increase in funds for the LHDX air capable amphibious ship and a light carrier design, as well as the denial of funds requested for the FFX class Corvette.

The House amendment recommended no authorization.

The conferees agreed that \$11 million be authorized for ship development (advanced) and specifically denied funds for the FFX class Corvette and the Light Carrier design. The conferees agreed that authorization for the LHDX and a New Class Carrier design should be included under separate and new program elements.

SHIP DEVELOPMENT (ENGINEERING)

The President's March budget request contained \$89.497 million for engineering development for several classes of ships, including an FFX class Corvette.

The Senate bill recommended authorization of \$55.135 million, denying authorization for the FFX, the TAH, the CGN-38(C), and the CGN-42 class designs, and the *Oriskany* reactivation.

The House amendment recommended authorization of \$77.932 million, denying authorization only for the FFX design.

The conferees agreed to an authorization of \$70 million and specifically denied design funds only for the FFX class Corvette. Design funds to develop better cost estimates for reactivation of Essex class carriers such as the *Oriskany* were included under a separate and new program element entitled, "ESSEX Class (CV-27C) Carrier Evaluation."

The Senate recedes with an amendment.

SHIP SYSTEMS ENGINEERING STANDARDS (SEAMOD)

The President's March budget request contained \$1.999 million for the Ship Systems Engineering Standards (SEAMOD) program.

The Senate bill recommended authorization of \$9.999 million, adding \$8 million to continue additional work that is necessary to incorporate this critical design philosophy into the new DDG-X class guided missile destroyer and to expand its use to systems that will affect the full range of surface ships and submarines.

The House amendment recommended \$12.0 million.

The conferees agreed to an authorization of \$10.0 million.

SMALL CALIBER AND FIRE CONTROL TECHNOLOGY JOINT SERVICES SMALL ARMS PROGRAM

The Senate bill authorized \$9.316 million and \$3.529 million, as requested by the Department of Defense, for the Army's Small

Caliber and Fire Control Technology and Joint Services Small Arms programs, respectively.

The House amendment provided additional authorization of \$5 million for each program.

The conferees expressed concern that U.S. small arms technology and capability have seriously declined during the past decade. Additional authorization is urgently needed to develop reliable and effective handguns and rifles for our combat forces.

Accordingly, the conferees agreed to an authorization of \$11.5 million for the Small Caliber and Fire Control Technology program and \$5.5 million for the Joint Services Small Arms program. The conferees emphasize, however, that none of these funds are to be used for any tasks relating to the 9 mm handgun or the M-16 rifle without the prior approval of the Congress.

SPACE-BASED LASER

The Senate bill authorized an additional \$20 million for the Defense Advanced Research Projects Agency (DARPA) and \$30 million for the Air Force for research and development related to high energy space-based lasers. Section 207 of the Senate bill directed the Secretary of the Air Force to establish a Program Management Office for airborne and space-based laser weapon programs and directed that such office conduct a detailed systems definition of space-based laser weapon programs (including cost, schedule, and identification of risks) and submit a report of the results of such study to the Armed Services Committee. The House amendment contained no similar provision.

The conferees denied the add-on to the Air Force laser program but agreed to add \$5 million to the DARPA request for research and development on space-based lasers. The conferees further agreed that the Secretary of the Air Force should provide a plan to the Committees on Armed Services of the Senate and House of Representatives for the management of future high energy laser weapon programs and a study of the feasibility, cost, schedule, and technological issues associated with space-based laser weapons.

STAND-OFF TARGET ACQUISITION SYSTEM (SOTAS)

The Army requested \$69.776 million to continue the development of the Stand-Off Target Acquisition system. The SOTAS is an Army program to develop a helicopter-borne radar system to detect and locate moving targets beyond the forward edge of the battle area.

While recognizing the requirement for a SOTAS-like system, both the House and Senate expressed concern about the extreme cost growth that has occurred in the SOTAS program during the past year. Despite a reduction in procurement quantity from 24 to 16 division sets, the program cost has risen from \$969 million to \$2.447 billion.

The Senate bill approved the SOTAS request with the stipulation that no more than \$20 million could be obligated or expended prior to the receipt by the Committee on Armed Services of an analysis by the Secretary of Defense of the cost and effectiveness of the SOTAS compared with that of other reasonable alternatives. The House amendment denied the SOTAS request and recommended that the SOTAS engineering development program be terminated. The House amendment provided \$5 million for the purpose of examining lower cost alternatives to SOTAS.

Despite the extraordinary efforts recently made the Army and the Office of the Secretary of Defense to bring SOTAS costs under control, little progress has been made. The conferees believe the program is out of control and represents an expense the Army can ill afford.

The conferees, therefore, agreed that the SOTAS program be terminated and therefore no authorization is provided in this bill for SOTAS. The conferees also agreed to provide \$5 million to a new program element titled "Battlefield Data System" for the purpose of allowing the Army to study lower cost alternatives to meet its battlefield surveillance requirements. Should additional fiscal year 1982 support be needed for the Battlefield Data System program, a reprogramming request will be considered.

The Senate recedes with an amendment.

STINGER MISSILE

The Department of Defense requested authorization for \$16.171 million for the Army's Stinger missile program.

The Senate bill provided the full authorization request; the House amendment reduced the authorization by \$9.171 million.

The conferees agreed to provide the full authorization request of \$16.171 with the understanding that this authorization will complete the Stinger research and development program during fiscal year 1982.

SURFACE EFFECTS SHIP

The President's March budget request did not contain a request for authorization for the development of a large Surface Effects Ship.

The Senate bill did not recommend authorization of this program.

The House amendment recommended authorization of \$46 million to continue the development of a 3,000-ton prototype Surface Effects Ship.

The conferees were advised that the Department of Defense's Congressionally Mandated Mobility Study (CMMS) recommended a continuation of research and development for a high-speed Surface Effects Ship to enhance U.S. strategic mobility. Consequently, the conferees agreed to an authorization of \$5 million to be used only to initiate design of a 1,500-ton or larger prototype logistics support Surface Effects Ship.

The Senate recedes with an amendment.

UNDERGRADUATE FLIGHT TRAINING SYSTEM (VTXTS)

The Navy requested \$12.409 million for the Undergraduate Jet Flight Training System (VTXTS). The Senate bill authorized the full amount requested for the VTXTS program but encouraged the Navy and Air Force to continue to explore cooperative solutions to the problem of replacing training aircraft. The House amendment deleted the entire \$12.409 million requested for the program and expressed concern about the length of the proposed development program and the lack of a firm program plan for developing and procuring this new training system.

The conferees expressed concern over the Navy's inability to adequately address the concerns related to the length of the VTXTS development program, overall program costs and the relative prior-

ity of the VTXTS program vis-a-vis other Navy tactical aircraft programs. The Navy informed the conferees that it could not address these issues until after the VTXTS source selection process was completed in late 1981.

The conferees agreed to provide \$5 million for the VTXTS program with the understanding that the funds would be used only to complete source selection and to prepare a VTXTS program plan. The conferees further agreed that the Navy could present a prior approval reprogramming request to Congress for additional fiscal year 1982 funds for the VTXTS program once a firm program plan is defined. The conferees wish to emphasize in providing \$5 million for the VTXTS that this does not represent a commitment to the program. Future support for the program will be contingent upon the Navy adequately addressing the issues of the program schedule, affordability and priority.

The Senate recedes with an amendment.

V/STOL TECHNOLOGY/TILT FAN—AV-8B+

The Administration requested \$14.96 million for the Navy's V/STOL Technology Program. The Senate authorized the request and added \$10 million for the development of the AV-8B+. The House deleted the Administration's request.

The conferees expressed concern that substantial funds have already been invested in a variety of V/STOL research efforts but the program has yet to yield a production aircraft. The Navy's recent V/STOL initiatives have focused on the tilt fan technology. The conferees believe that tilt fan technology may provide a viable candidate to perform the carrier air wing support missions (Tanker, Carrier-on-Board Delivery Aircraft, Airborne Early Warning Aircraft) when it becomes necessary to replace the current inventory of support aircraft.

The conferees agreed not to authorize the Administration's request for the V/STOL technology program. However, the conferees believe ongoing efforts to develop tilt fan technology should be continued and agreed to authorize \$10 million for the development of the tilt fan under a new program element. In addition, the conferees agreed to provide \$5 million for the development of the AV-8B+, also under a new program element.

TITLE III—OPERATION AND MAINTENANCE

ARMY

Flying hours

The fiscal year 1982 request contained approximately \$316 million for the Army flying hour program. The Senate bill authorized the amount requested. The House amendment authorized \$321 million—a \$5.0 million increase to provide 12,000 additional flying hours.

The House recedes.

Instructor pilot aviator course

The fiscal year 1982 request contained \$116.7 million for Army instructor pilot aviator courses. The Senate bill authorized the amount requested. The House amendment authorized \$122.9 million—a \$6.2 million increase providing for three additional Army aviation instructor pilot courses.

The House recedes.

Supply and depot maintenance

The fiscal year 1982 request contained \$563 million for selected Army supply and depot maintenance activities. The Senate bill authorized \$706 million—an increase of \$143 million above the amount requested. The House bill authorized \$652 million for the same purpose.

The Senate recedes.

Army Reserve unit equipment

The fiscal year 1982 request contained \$79.1 million for Army Reserve unit equipment. The Senate bill authorized \$86.1 million—a \$7 million increase above the amount requested.

The House amendment authorized \$87.1 million.

The Senate recedes.

National Guard Unit Equipment

The fiscal year 1982 request contained \$153.8 million for the procurement of Army National Guard unit equipment. The Senate bill authorized \$186.8 million—a \$33 million increase to the amount requested. The House amendment authorized \$203.8 million—a \$50 million increase above the amount requested.

The Senate recedes.

Army maintenance and repair of real property

The fiscal year 1982 request contained \$1,135.9 million for real property maintenance and the reduction of the Army's backlog of maintenance and repair of real property (BMAR). The Senate bill authorized \$1,235.9 million—a \$100 million increase above the amount contained in the fiscal year 1982 request. The House amendment authorized the amount requested.

The House recedes.

Army Reserve maintenance and repair of real property

The fiscal year 1982 request included \$84.2 million for Army Reserve real property maintenance and repair of real property. The Senate bill authorized the amount requested. The House amendment authorized \$87.7 million—a \$3.5 million increase over the amount requested.

The Senate recedes.

National Guard maintenance and repair of real property

The fiscal year 1982 request contained \$73.5 million for Army National Guard real property maintenance. The Senate bill authorized the amount requested. The House amendment authorized \$83.5 million.

The Senate recedes.

Commercial Industrial Type Activities (CITA) authority

The March request contained \$49 million to contract out 4,400 additional Commercial Industrial Type Activities (CITA). The Senate bill authorized the amount requested. The House amendment did not authorize funding for this purpose.

The October budget amendment deleted \$49 million for CITA contracting-out.

The Senate recesses.

Camouflage screens

The fiscal year 1982 request included \$53.1 million for the procurement of camouflage screens. The Senate bill authorized the amount requested. The House amendment authorized \$38.1 million—a reduction of \$15 million. The October budget amendment further reduced the amount requested for the procurement of camouflage screens to \$36.2 million.

The conferees agreed to authorize \$36.2 million for the procurement of camouflage screens—a reduction of \$16.9 million from the March request.

Contracting out the Army hospital at Redstone Arsenal, Alabama

The fiscal year 1982 request included \$9.7 million to support the contracting out of the Army hospital at Redstone Arsenal, Alabama. The Senate bill authorized the amount requested. The House amendment deleted authorization of \$5.2 million associated with the contracting-out process and included language in section 304 prohibiting the use of any fiscal year 1982 funding to contract out entire military medical facilities.

Force modernization

The fiscal year 1982 request contained \$976.6 for Army force modernization. The Senate bill authorized \$948.6 million—a decrease of \$28 million below the amount requested. The House amendment authorized \$936.6 million.

The conferees agreed to an authorization of \$916.6 million—a \$60 million reduction from the request.

Tactical automation/communication

The March request included \$85 million for Army tactical automation/communication enhancements. The Senate bill authorized the amount requested. The House amendment authorized \$60 million—a reduction of \$25 million to be applied against the \$45 million requested for the replacement of older switchboards within the continental United States.

The October budget amendment contained a \$25 million reduction for tactical automation/communication enhancements.

The Senate recesses.

Rapid Deployment Force (RDF), Army improvements

The March request included \$33 million for Army RDF improvements. The Senate bill authorized the amount requested. The House amendment authorized \$23 million.

The October budget amendment contained a \$10 million reduction for Army RDF improvements.

The Senate recesses.

Veterinary activities

The fiscal year 1982 request included \$0.4 million associated with the civilianization of veterinary activities supporting Department of Defense research and development activities. The Senate bill authorized the amount requested. The House amendment deleted authorization for this purpose and included language in Section 303 prohibiting the use of fiscal year 1982 operation and maintenance

funding for the civilianization of Army veterinary positions involved in research and development.

The Senate recedes.

Audiovisual activities

The fiscal year 1982 request contained \$119.1 million for Army audiovisual activities. The Senate bill contained an authorization of \$105.1 million. The House amendment authorized \$110.6 million.

The House recedes.

Intelligence and communications

The fiscal year 1982 request contained \$141.9 million for Army intelligence and communications activities. The Senate bill contained an authorization of \$139.9 million—a \$2 million reduction in the amount requested. The House amendment authorized \$141.6 million.

The conferees agreed to an authorization of \$139.6 million.

Civilian personnel

The fiscal year 1982 request contained \$4,772 million for Army civilian personnel. The Senate bill authorized \$4,766 million—a \$6 million reduction from the amount requested. The House amendment authorized the amount requested.

The Senate recedes.

Combat vehicle crew uniforms

The fiscal year 1982 request contained \$11.9 million for the procurement of combat vehicle crew uniforms. The Senate bill authorized \$19.9 million—an \$8 million increase to the amount requested. The House amendment authorized the amount requested.

The Senate recedes.

Operational testing

The fiscal year 1982 request contained \$36.7 million for operational testing. The Senate bill authorized \$47.7 million—an \$11 million increase to the amount requested. The House amendment authorized the amount requested.

The Senate recedes.

NEW ADJUSTMENTS

Korean Won revaluation

The October budget amendment contained a revaluation of the Korean Won, changing the exchange rate from 484 to 650 per U.S. dollar. This resulted in a savings of \$30 million in fiscal year 1982.

Based on the most recent Won/dollar exchange rate of 686 to 1, the conferees agreed to a reduction of \$35 million.

Force structure changes

The October budget amendment contained a reduction of \$27.3 million associated with the deactivation of a brigade and deferral of the planned activation of various active combat service support units in fiscal year 1982.

The conferees agreed to a reduction of \$27.3 million.

Advertising activities

The October budget amendment contained a reduction of \$6.7 million associated with the realignment of recruiting and advertising from the Services to an expanded joint advertising program administered by the Department of Defense.

The conferees agreed to a reduction of \$6.7 million.

Purchase inflation

The October budget amendment contained a reduction of \$8.5 million reflecting new inflation guidelines reducing purchase inflation for Operations and Maintenance from 8.4 to 8.2 percent.

The conferees agreed to a reduction of \$8.5 million.

Currency exchange reevaluation

The October budget amendment contained a reduction of \$125.8 million reflecting a reestimated fiscal year 1982 exchange rate between the German mark and U.S. dollar from 2.09 to 2.26 to 1.

The conferees agreed to a reduction of \$125.8 million.

Fuel cost reestimate

The October budget amendment contained a reduction of \$37.5 million reflecting a revised budgeted estimate for the cost of fuel in fiscal year 1982.

The conferees agreed to a readjustment of the Department of Defense estimate of the cost of a composite barrel of fuel from approximately \$56 to \$53 during fiscal year 1982. Because the fiscal year 1981 actual cost for a composite barrel of fuel was approximately \$47, or \$3 below the estimate for fiscal year 1981, the conferees agreed that the estimate for fiscal year 1982 is overstated and that there should be a corresponding reduction in the fiscal year 1982 estimate. The conferees believe that a composite figure of \$53 a barrel is a more realistic estimate, providing for a \$6 a barrel increase in fiscal year 1982. Therefore, the conferees agreed to a reduction of \$46.2 million.

NAVY

Installation of aircraft modifications

The March request included \$227.6 million for the installation of aircraft modifications. The Senate bill authorized the amount requested. The House amendment contained an authorization of \$284 million—a \$56.4 million increase to the amount requested.

The October budget amendment contained \$222.6 million for the installation of aircraft modifications.

The conferees agreed to an authorization of \$264 million for installation of aircraft modifications—an overall increase of \$41.4 million above the October request.

Civilian personnel

The fiscal year 1982 request contained \$2,226.4 million for Navy civilian personnel. The Senate bill authorized \$2,221.6 million—a decrease of \$4.8 million from the amount requested. The House amendment authorized \$2,238.4 million—a \$12 million increase to support 300 additional civilian personnel for the Naval Supply Systems Command.

The Senate recedes.

Navy maintenance and repair of real property

The March request included \$750 million for real property maintenance. The Senate bill authorized the amount requested. The House amendment authorized \$760 million—a \$10 million increase. Subsequently, the October budget amendment contained a \$40 million reduction for Navy real property maintenance.

The conferees disapproved the reduction of funding for Navy real property maintenance and the Senate recedes.

Industrial preparedness

The fiscal year 1982 request included \$4.8 million for industrial preparedness initiatives. The Senate bill authorized the amount requested. The House amendment contained an authorization of \$6.8 million.

The Senate recedes.

Indicia mail

The March request included \$9 million to cover increases in indicia mail rates. The Senate bill authorized the amount requested. The House amendment contained an authorization of \$6 million. The October budget amendment requested an authorization of \$6 million.

The Senate recedes.

Commercial Industrial Type Activities (CITA) administration

The fiscal year 1982 request included \$10 million to support an increase in the number of civilian personnel required to administer the Navy Commercial Industrial Type Activities (CITA) program. The Senate bill authorized the amount requested. The House amendment authorized \$6 million, and the House report recommended the reduction of 122 CITA administration positions, those personnel spaces to be reassigned to the Naval Supply Systems Command.

The Senate recedes.

Trident system operational support

The March request included \$231.4 million for Trident system operational support. The Senate bill authorized the amount requested. The House amendment authorized \$221.4 million—a \$10 million reduction.

The October budget amendment included a request for \$221.4 million for Trident system operational support.

The conferees agreed to a reduction of \$30 million and recommend an authorization of \$201.4 million.

Contracting out the Naval hospital at Memphis, Tennessee

The fiscal year 1982 request included \$11.3 million associated with the contracting out of the Naval hospital at Memphis, Tennessee. The Senate bill authorized the amount requested. The House amendment deleted \$2.1 million directly associated with the contract conversion and included language in Section 304 prohibiting the use of any fiscal year 1982 operations and maintenance funding for that purpose.

The Senate recedes.

Contract engineering technical support (CETS)

The fiscal year 1982 request included \$88 million for contract engineering technical support (CETS) for aircraft rework. The Senate bill authorized the amount requested. The House amendment contained an authorization of \$83 million.

The Senate recedes.

Ship alterations

The March request contained \$977.1 million for ship alterations. The Senate bill authorized the amount requested. The House amendment authorized \$937.1 million.

The October budget amendment contained a \$897.1 million for ship alterations—a reduction of \$80 million from the March request.

The conferees agreed to an authorization of \$897.1 million.

Audiovisual activities

The fiscal year 1982 request contained \$36.9 million for Navy audiovisual activities. The Senate bill authorized \$23.9 million—a \$13 million reduction from the amount requested. The House amendment authorized \$30.4 million.

The House recedes.

Intelligence and communications

The fiscal year 1982 request contained \$101.6 million for Navy intelligence and communications. The Senate bill authorized \$102.4 million—a \$0.8 million increase to the amount requested. The House amendment authorized \$102 million for that purpose.

The conferees agreed to an authorization of \$102.8 million—an increase of \$1.2 million to the March request.

NEW ADJUSTMENTS

T-AKX

The October budget amendment contained a new request of \$60 million for the initiation of a program for the conversion and charter of 12 to 15 T-AKX type transport ships to be operated under the Maritime Prepositioning Ships (MPS) concept. The decision to convert and lease these vessels instead of building or buying and converting them represents a new approach to upgrade the Navy's strategic sealift capabilities. It is designed to ensure the effectiveness of airlifted troops through the timely arrival of sealifted delivery equipment. The MPS program will ultimately provide the support for three Marine amphibious brigades in the Indian Ocean or other worldwide commitments by fiscal year 1987.

The conferees fully support the Maritime Prepositioning Ship concept and the role it will play in enhancing U.S. strategic mobility and force projection capabilities. Nevertheless, given the uncertainties surrounding the new convert-and-charter acquisition strategy as well as the Navy's inability to provide detailed budget justification prior to the completion of conference action, the conferees disapproved the \$60 million increase without prejudice.

Victory ship reactivation

The October budget amendment contained a \$50 million reduction associated with the reactivation of five Victory ships because

current munition inventory shortages preclude their use in fiscal year 1982.

The conferees agreed to a reduction of \$50 million.

Consultants, studies and analyses

The October budget amendment requested a \$34 million reduction in the original request for consultants, studies and analyses as a result of management actions to improve controls over this program. The reduction is consistent with actions being planned for fiscal year 1983.

The conferees agreed to a reduction of \$34 million.

Decommission nine ships

The October budget amendment contained a reduction of \$15.2 million associated with the retirement of three active and six reserve ships in fiscal year 1982 vice their original scheduled decommissioning in fiscal year 1983.

The conferees agreed to a reduction of \$15.2 million.

Reduction of 1/2 carrier battle group in the Indian Ocean

The October budget amendment contained a reduction of \$74.6 million associated with the President's decision to reduce fleet deployments in the Indian Ocean by half a carrier battle group in fiscal year 1982.

The conferees agreed to a reduction of \$74.6 million.

Elimination of near-term prepositioning ship exercises

The October budget amendment contained a reduction of \$4 million associated with the elimination of near-term prepositioning ship exercises in fiscal year 1982 as a result of a scheduled slip in that program.

The conferees agreed to a reduction of \$4 million.

Elimination of two steaming days per quarter in the Mediterranean Sea

The October budget amendment contained a reduction of \$9.4 million resulting from the elimination of two steaming days per quarter in the Mediterranean Sea in fiscal year 1982.

The conferees are seriously concerned about the adequacy of the Navy training program and strenuously oppose any effort to curtail the realistic training performed by forward deployed fleets. Therefore, the conferees disapprove the reduction of \$9.4 million and the elimination of two steaming days per quarter in the Mediterranean.

Elimination of two steaming days per quarter for nondeployed fleets

The October budget amendment contained a \$77.8 million reduction associated with the elimination of two steaming days per quarter for the Second and Third Fleets, each home-ported in the United States.

The conferees are concerned about the adequacy of the Navy's training program and view with alarm efforts to further reduce the already constrained number of steaming days per quarter for non-deployed fleets. Therefore, conferees agreed to delete \$38.9 million and limit the proposed reduction to one steaming day per quarter.

Reduced range costs for nondeployed fleets

The October amendment contained a \$4 million reduction in range costs on the assumption that nondeployed fleet steaming days will be cut by two days a quarter.

In view of the foregoing decision to reduce nondeployed fleet steaming days by one day per quarter, the conferees agreed to a corresponding reduction of \$2 million in range costs in fiscal year 1982.

Reduce Primary Mission Readiness by 2 percent

The October budget amendment contained a \$27.8 million reduction associated with of Navy flying hour program. This reduction corresponds to a decrease of 2 percent in Primary Mission Readiness requirements for tactical air and anti-submarine forces in fiscal year 1982.

The conferees are extremely concerned about any effort to further reduce Navy Primary Mission Readiness requirements and the adverse impact such an act may have upon aircrew efficiency and fleet readiness. Therefore, the conferees disapproved the proposed reduction of \$27.8 million for a two percent decrease in Primary Mission Readiness.

Reduced aircraft maintenance

The October budget amendment contained a reduction of \$3.2 million reflecting reduced aircraft maintenance due to a proposed reduction in the Navy flying hour program.

In view of the foregoing disapproval of such a reduction and the two percent decrease in primary Mission Readiness, the conferees also disapproved the proposed reduction of \$3.2 million in aircraft depot maintenance.

Advertising activities

The October budget amendment contained a reduction of \$2.4 million due to the realignment of recruiting advertising from the services to an expanded joint advertising program administered by the Department of Defense.

The conferees agreed to a reduction of \$2.4 million.

Logistics and engineering support

The October budget amendment contained a reduction of \$25 million for various logistics and engineering support programs. The \$25 million reduction provides for reduced engineering software support, deferral of certain aircraft modification installations and reductions in administrative-type activities.

The conferees agreed to a reduction of \$25 million.

Pollution abatement

The October budget amendment contained a reduction of \$11 million for pollution abatement due to the reduced emphasis currently being placed on regulatory programs.

The conferees agreed to a reduction of \$11 million.

Purchase inflation

The October budget amendment contained a reduction of \$14.5 million reflecting new inflation guidelines reducing inflation for operations and maintenance purchases from 8.4 to 8.2 percent.

The conferees agreed to a reduction of \$14.5 million.

Fuel cost reestimate

The October budget amendment contained a reduction of \$40.5 million reflecting a revision of the budget estimate for the cost of fuel in fiscal year 1982.

As previously discussed in the Army section of Title III, the conferees agreed to a readjustment of the Department of Defense budgeted estimate of the cost of a composite barrel of fuel from approximately \$56 to \$53 in fiscal year 1982. Therefore, the conferees agreed to a reduction of \$196.7 million.

MARINE CORPS

Camouflage uniforms

The fiscal year 1982 request did not include funding for desert camouflage uniforms for the Marine Corps. The Senate bill did not authorize the procurement of this item. The House amendment authorized \$8 million.

The Senate recedes.

Camouflage screens

The March request included \$19.7 million for camouflage screens. The Senate bill authorized the amount requested. The House amendment authorized \$17.7 million—a reduction of \$2 million.

The October budget amendment contained a reduction of \$2 million for camouflage screens.

The Senate recedes.

Near-term prepositioning ship program

The March request included \$9.8 million to fund the first maritime prepositioned sets associated with the Near-Term Prepositioning Ship program. The Senate bill authorized the amount requested. The House amendment authorized \$1.8 million—a reduction of \$8 million.

The October budget amendment contained a reduction of \$8 million associated with the Near-Term Prepositioning Ship Program.

The Senate recedes.

Transportation associated with Landing Vehicle Tracked (LVT) program

The March request included \$1 million for transportation associated with the LVT program. The Senate bill authorized the amount requested. The House amendment authorized \$0.9 million.

The October budget amendment contained a \$0.1 million reduction for transportation associated with the LVT program.

The Senate recedes.

Maintenance and repair of real property

The fiscal year 1982 request contained \$191.8 million for maintenance and repair of real property. The Senate bill authorized \$204.5—a \$12.7 million increase over the amount requested. The House amendment authorized the amount requested.

The House recedes.

NEW ADJUSTMENTS

Consultants, studies and analyses

The October budget amendment requested a \$0.2 million reduction in the original request for consultants, studies and analyses as a result of management actions to improve controls over this program. The reduction is consistent with actions being planned for fiscal year 1983.

The conferees agreed to a reduction of \$0.2 million.

Administration, operations and training

The October budget amendment contained a \$3.6 million reduction to slow the growth in this program from \$86 million in fiscal year 1981 to \$102.2 million in fiscal year 1982.

The conferees agreed to a reduction of \$3.6 million.

Advertising activities

The October budget amendment contained a reduction of \$1.7 million associated with the realignment of recruiting advertising from the services to an expanded joint advertising program administered by the Department of Defense.

The conferees agreed to a reduction of \$1.7 million.

Purchase inflation

The October budget amendment contained a reduction of \$0.7 million reflecting new inflation guidelines reducing inflation for operations and maintenance purchases from 8.4 to 8.2 percent.

The conferees agreed to a reduction of \$0.7 million.

Fuel cost reestimate

The October budget amendment contained a reduction of \$2.3 million reflecting a revision of the budget estimate for the cost of fuel in fiscal year 1982.

The conferees agreed to a reduction of \$2.3 million.

AIR FORCE

Industrial preparedness

The fiscal year 1982 request included \$3.1 million for industrial preparedness initiatives. The Senate bill authorized the amount requested. The House amendment authorized \$8.4 million—an increase of \$5.3 million.

The Senate recedes.

Chemical protective equipment

The fiscal year 1982 request included \$5.1 million for the procurement of chemical protective equipment. The Senate bill authorized the amount requested. The House amendment authorized \$9.6 million.

The Senate recedes.

Air Force real property maintenance

The fiscal year 1982 request included \$453 million for Air Force real property maintenance. The Senate bill authorized the amount requested. The House amendment contained an authorization of \$500 million—an increase of \$47 million.

The Senate recedes.

Contracting out of medical specialties

The fiscal year 1982 request included \$3.6 million for contracting out certain critical medical specialties to offset temporary shortages of Air Force specialist physicians. The Senate bill authorized the amount requested. The House amendment authorized \$11.6 million—an increase of \$8 million.

The Senate recedes.

Flying hours

The fiscal year request included \$3,572 million for the Air Force flying hour program. The Senate bill authorized the amount requested. The House amendment contained an authorization for \$3,591.2 million.

The conferees agreed to an authorization of \$3,589.1 million—an increase of \$17.1 million.

Modification of aircraft

The modification of 707-type aircraft was not included in the fiscal year 1982 request. The Senate bill contained no such authorization. The House amendment authorized \$15.5 million for that purpose.

The Senate recedes.

Joint Chiefs of Staff (JCS) exercises

The March request included \$371.1 million for the Air Force portion of the Joint Chiefs of Staff (JCS) exercise program. The Senate bill authorized the amount requested. The House amendment authorized \$277.1 million—a reduction of \$94 million.

The October budget amendment contained a reduction of \$79.4 million in the JCS exercise program.

The conferees agreed to an authorization of \$291.7 million for JCS exercises—a reduction of \$79.4 million. However, it is the position of the conferees that the fiscal year 1983 JCS exercise program shall, at the time of submission, be balanced in terms of available units, personnel, staff support and equipment assets. In the case of airlift requirements, such exercise scheduling shall reflect sufficient flying hours in fiscal year 1983 to permit airlift and overall priorities to be adjusted to accommodate an increased JCS share of maximum available airlift.

Contracting out the hospital at Chanute Air Force Base, Illinois

The fiscal year 1982 request contained \$4.9 million for the contracting out of the hospital at Chanute Air Force Base. The Senate bill authorized the amount requested. The House amendment deleted the total amount requested and included language in section 304 prohibiting the use of any fiscal year 1982 operations and maintenance funding for that purpose.

The Senate recedes.

High-Speed Anti-radiation Missile (HARM) depot support

The fiscal year 1982 request included \$0.6 million for High-Speed Anti-radiation Missile (HARM) depot system. The Senate bill authorized the amount requested. The House amendment did not contain authorization for that purpose.

The Senate recesses.

Combat rescue equipment

The fiscal year 1982 request included \$5 million for combat rescue equipment. The Senate bill authorized the amount requested. The House amendment contained no authorization for that purpose.

The Senate recesses.

SAC strategic projection force modifications

The fiscal year 1982 request included \$3.9 million for SAC strategic projection force modifications. The Senate bill authorized the amount requested. The House amendment contained no authorization for this initiative.

The Senate recesses.

Preservation of the military nature of veterinary support to Defense research and development activities

The fiscal year 1982 request included \$0.2 million associated with the civilianization of veterinary activities supporting Department of Defense research and development activities. The Senate bill authorized the amount requested. The House amendment deleted authorization for this purpose and included language in section 303 prohibiting the use of fiscal year 1982 operations and maintenance funding to civilianize Air Force veterinary positions involved in research and development.

The Senate recesses.

Audiovisual activities

The fiscal year 1982 request contained \$172.5 million for Air Force audiovisual activities. The Senate bill authorized \$154.5 million—\$19 million below request. The House amendment authorized \$163 million.

The House recesses.

Civilian personnel

The fiscal year 1982 request contained \$2,838.9 million for Air Force civilian personnel. The Senate bill authorized \$2,858.1 million—a \$19.2 million increase to the amount contained in the fiscal year 1982 request. The House amendment authorized the amount requested.

The Senate recesses.

Command, control, and communications enhancements

The Senate bill contained \$5.9 million in Title III for Air Force command, control, and communications enhancements that were not contained in the fiscal year 1982 request. The House amendment contained no authorization for this purpose.

The House recesses.

UH-60 helicopter operating support

The October budget amendment deleted funding for the procurement of 6 UH-60 helicopters. Therefore, the \$0.1 million in training support associated with that procurement is no longer required.

The conferees agreed to a \$0.1 million reduction in training support of UH-60 helicopters.

B-52D retirement

The October budget amendment contained a reduction of \$18.9 million associated with the retirement of three B-52D squadrons and the Combat Crew Training Squadron in the last quarter of fiscal year 1982.

The conferees agreed to a reduction of \$18.9 million in Title III.

Reservations concerning B-52 phase-out

The conferees accepted the proposed reductions to the fiscal year 1982 authorization request associated with the phase-out of the B-52D force. However, conferees expressed their concern regarding the planned phase-out of the B-52D force during a period of increasing vulnerability for U.S. strategic forces. The conferees understand that the timing of the currently planned phase-out would not impair eventual continuation of the existing B-52D force should the planned phase-out be reconsidered before the end of fiscal year 1982. The conferees agreed to further study this matter in conjunction with the fiscal year 1983 budget request.

Advertising activities

The October budget amendment contained a reduction of \$1.6 million associated with the realignment of recruiting advertising from the services to an expanded joint advertising program administered by the Department of Defense.

The conferees agreed to a reduction of \$1.6 million.

Rapier

The October budget amendment contained a reduction of \$4.9 million associated with the operations and maintenance support of Rapier missile systems to be procured for air defense of U.S. air bases in the United Kingdom. This corresponds to a slip in the missile procurement account.

In view of action by the conferees to provide additional authorization for the procurement of Rapier missile systems in fiscal year 1982, the conferees disapproved the proposed reduction in operation and support of those systems.

Purchase inflation

The October budget amendment contained a reduction of \$12.1 million reflecting new guidelines reducing budgeted inflation for operations and maintenance purchases from 8.4 to 8.2 percent.

The conferees agreed to a reduction of \$12.1 million.

Currency exchange revaluation

The October budget amendment contained a reduction of \$13 million reflecting a reestimated fiscal year 1982 exchange rate between the German mark and the U.S. dollar from 2.09 to 2.26 to 1.

The conferees agreed to a reduction of \$13 million.

Fuel cost reestimate

The October budget amendment contained a reduction of \$39.9 million reflecting a revision of the estimate for the cost of fuel in fiscal year 1982.

As previously discussed in the Army section of Title III the conferees agreed to a readjustment of the Department of Defense bud-

geted estimate of the cost of a composite barrel of fuel from approximately \$56 to \$53 in fiscal year 1982. Therefore, the conferees agreed to a reduction of \$293.7 million.

Korean Won revaluation

The fiscal year 1982 request contained \$25.8 million based on a currency exchange rate between the Korean Won and U.S. dollar of 631 to 1. By bringing the Air Force currency exchange assumptions in line with other action taken by the conferees (using an exchange rate of 686 to 1), there would be a savings of \$2.1 million.

The conferees agreed to a reduction of \$2.1 million.

DEFENSEWIDE

Civilian Health and Medical Program for the Uniformed Services (CHAMPUS)

The fiscal year 1982 request included \$968.7 million for CHAMPUS. The Senate bill authorized the amount requested. The House amendment contained an authorization of \$977.2 million for that purpose—an \$8.5 million increase over the amount requested.

The October budget amendment contained a \$30 million reduction in CHAMPUS due to revised estimates extrapolated from the actual rate of expenditures during fiscal year 1981.

The conferees agreed to a reduction of \$21.5 million.

Defense Logistics Agency (DLA), Defense Contract Audit Agency (DCAA), and the Office of the Secretary of Defense (OSD)

The fiscal year 1982 request contained \$1,485 million for DLA, DCAA, and OSD. The Senate bill authorized \$1,482 million—a \$3 million reduction in the amount requested. The House amendment contained an authorization of \$1,477 million—a decrease of \$8 million in the amount requested.

The conferees agreed to an authorization of \$1,464 million—a total reduction of \$21 million from the amount requested.

Audiovisual activities

The fiscal year 1982 request contained \$46.8 million for defense agencies' audiovisual activities. The Senate bill authorized \$45.9 million—a reduction of \$0.9 million. The House amendment authorized \$46.4 million.

The House recedes.

Intelligence and communications

The fiscal year 1982 request contained \$1,172.3 million for defensewide intelligence and communications. The Senate bill authorized \$1,175.5 million—an increase of \$3.2 million to the amount requested. The House amendment authorized \$1,172.6 million.

The House recedes.

Civilian personnel

The fiscal year 1982 request contained \$1,715.7 million for civilian personnel. The Senate bill authorized \$1,698.9 million—a reduction of \$16.8 million from the amount requested. The House amendment authorized the amount requested.

The Senate recedes.

DoD Dependents Schools

The October budget amendment contained a reduction of \$26.4 million in DoD dependents schools. This would delay for a year the phased implementation of a student food service program, as well as special programs for handicapped students.

The conferees believe that a reduction in the dependents school program would represent a serious erosion in the quality of life of U.S. military personnel and their families stationed overseas. Therefore, the conferees disapproved the proposed reduction.

Joint Recruiting Advertising Program (JRAP)

The October budget amendment contained an increase of \$8.2 million in the Joint Recruiting Advertising Program reflecting a realignment of recruiting advertising from the services to this Department of Defense-administered program.

The conferees agreed to an increase of \$8.2 million.

Purchase inflation

The October budget amendment contained a reduction of \$3.9 million reflecting new guidelines reducing inflation for operations and maintenance purchases from 8.4 to 8.2 percent.

The conferees agreed to a reduction of \$3.9 million.

Currency exchange revaluation

The October budget amendment contained a reduction of \$6.2 million reflecting a reestimated fiscal year 1982 budgeted exchange rate between the German mark and the U.S. dollar from 2.09 to 2.26 to 1.

The conferees agreed to a reduction of \$6.2 million.

Fuel Cost Reestimate

The October budget amendment contained a reduction of \$8.1 million reflecting a revision of the budgeted estimate for the cost of fuel in fiscal year 1982.

The conferees agreed to a reduction of \$8.1 million.

OTHER PROVISIONS

Operation and maintenance accounts (Sec. 301(a))

Section 301(a) of the Senate bill would authorize funds for operations and maintenance purposes "for the Army (including the Army Reserve and the Army National Guard), for the Navy and the Marine Corps (including the Navy Reserve and the Marine Corps Reserve), for the Air Force (including the Air force Reserve and the Air National Guard), and for the defense agencies and other activities of the Department of Defense." Section 301(a) of the House amendment would authorize funds for operation and maintenance "for the Army, for the Navy, for the Air force, for the Marine Corps, and for defensewide activities."

The Senate recedes.

Fuel cost and inflation increase (Sec. 301(b))

Section 301 (b) of the Senate bill authorizes additional funds, as necessary, for unbudgeted increases in fuel cost and inflation. The House amendment contained no similar provision.

The House recedes.

*Repeal of requirement for annual operation and maintenance report
(Sec. 302)*

Section 302 of the House amendment would repeal the requirement for an annual report from the Secretary of Defense on certain operation and maintenance-related activity levels, including aircraft flying hours, ship steaming days, and combat arms battalion field training days. The Senate bill contained no similar provision.

The conferees agreed only to repeal the Unit Combat Readiness reporting requirement. The conferees further agreed that while the Department of Defense currently lacks the analytical capability necessary to forecast unit combat readiness with complete accuracy, some projection of unit combat readiness remains essential to the congressional review process. Therefore, in conjunction with the annual Material Readiness Report, the Secretary of Defense is directed to prepare an overall readiness assessment that fulfills the needs of the Congress to the maximum possible extent. The Secretary is further directed to allocate those resources necessary to develop the computer-based models to make accurate resource-related projections of force readiness.

Preservation of military nature of veterinary support to Defense research and development activities (Sec. 303)

Section 303 of the House amendment would prohibit the use of operation and maintenance funding authorized by this conference report for the civilianization of military veterinary positions involved in Defense research and development activities. The Senate bill contained no similar provision.

The Senate recedes.

Prohibition of contracting out entire medical facilities (Sec. 304)

Section 304 of the House amendment would prohibit the use of operation and maintenance funding authorized by this conference report for the contracting out of entire military medical facilities. The Senate bill contained no similar provision.

The Senate recedes.

Authorization of funding for the Leased Satellite Communication System (LEASATCOM)

Section 305 of the House amendment authorized the use of \$67 million of the amount authorized in Section 301 of this conference report for Navy operation and maintenance for the Leased Satellite Communications System (LEASATCOM). The Senate bill contained no similar provision.

The Senate recedes.

TITLE IV—ACTIVE FORCES

Active duty military strengths for the Army, Navy, and Air Force in the Senate bill and the House amendment differed by a total of 5,600. There was no disagreement on the Marine Corps strength. The conference agreement, which is 100 below the October Administration request, is summarized in the following table:

| | House | Senate | Conference |
|-------------------|-----------|-----------|------------|
| Army | 786,368 | 785,800 | 780,300 |
| Navy..... | 554,900 | 554,300 | 554,600 |
| Marine Corps..... | 192,100 | 192,100 | 192,100 |
| Air Force | 586,832 | 582,400 | 580,800 |
| Total..... | 2,120,200 | 2,114,600 | 2,107,800 |

Quality of active force recruits (Sec. 402)

The House amendment contained a provision (sec. 402) that would require the Army, in fiscal year 1982, to enlist no less than 75 percent high school graduates among its male accessions. The Army could, however, reduce this required level to as low as 65 percent high school graduates if it could recruit 10 percent of its non-high school graduate male accessions from those who score above 50 on the Armed Forces Qualifications Test (mental categories I-III A).

The Senate bill contained a provision (sec. 402) that would extend into fiscal year 1982 the requirement in the Defense Authorization Act for fiscal year 1981 (Public Law 96-342) that the Army enlist or induct no more than 35 percent non-high school graduates from its male accessions.

The House recedes.

The House amendment also established a requirement that no service enlist individuals who are not high school graduates and who score in category IV of the enlistment test.

The Senate bill contained no similar provision.

The Senate recedes.

Designation of Air Force physician assistants as commissioned officers (Sec. 403)

The House amendment contained a provision (sec. 403) that would require the Air Force to appoint physician assistants as commissioned officers.

The Senate bill contained no similar provision.

The Senate recedes.

Repeal of limitation on dependents overseas (Sec. 404)

The House amendment contained a provision (sec. 404) that would repeal the 325,000 limitation on the number of command-sponsored dependents overseas.

The Senate bill contained no similar provision.

The conferees observed that the number of dependents overseas has declined significantly over the past three years due in large part to the administrative actions taken by the Department of Defense to reduce the number of dependents. The conferees recognize that the U.S. presence overseas may increase gradually over the next several years and that the dependent population may follow that same trend.

The conferees agreed to repeal the ceiling on the number of dependents overseas. The conferees also agreed that the Secretary of Defense should provide quarterly reports on the number of dependents (both noncommand-sponsored and command-sponsored) to the Committees on Armed Services of the Senate and House of Representatives so that the level of dependents can be monitored.

Repeal of the ceiling should be interpreted as approval for immediate increases in the number of dependents overseas. The conferees expect the Department of Defense to aggressively pursue administrative actions to control the number of dependents overseas. Any increases in the number of command-sponsored dependents permitted overseas should be related to the force size, readiness considerations and the impact on retention.

The Senate recedes with an amendment requiring a quarterly report on the number of dependents overseas.

Change of title of new permanent flag grade for the Navy from commodore admiral to commodore (Sec. 405)

The House amendment contained a provision (sec. 405) that would change the title for the one-star flag grade for the Navy from "commodore admiral" to "commodore."

The Senate bill contained no similar provision.

The Senate recedes.

Extension of loan forgiveness program (Sec. 406)

The House amendment contained a provision (sec. 406) that would extend for two years, until October 1, 1983, the authority for the current test of a program offering loan forgiveness in return for military service.

The Senate bill contained no similar provision.

The Senate recedes.

TITLE V—RESERVE FORCES

Average strengths for the Naval Reserve and the Coast Guard Reserve in the Senate bill and the House amendment differed by a total of 2,700. There was no disagreement on the average strength level for any other reserve component.

The conference agreement, which was 300 above the administration request, is summarized in the following table:

| | House | Senate | Conference |
|---------------------------|---------|---------|------------|
| Army National Guard..... | 392,800 | 392,800 | 392,800 |
| Army Reserve..... | 235,300 | 235,300 | 235,300 |
| Naval Reserve..... | 90,000 | 87,600 | 87,600 |
| Marine Corps Reserve..... | 37,600 | 37,600 | 37,600 |
| Air National Guard..... | 98,600 | 98,600 | 98,600 |
| Air Force Reserve..... | 62,800 | 62,800 | 62,800 |
| Coast Guard Reserve..... | 12,000 | 11,700 | 12,000 |

Authority to exceed end strength for reservists on full time active duty (Sec. 502)

The House amendment contained a provision (sec. 502(b)) that would allow the Secretary of Defense to increase the authorized number of reservists on full time active duty in support of the reserves by two percent of the total number of reservists authorized to be on active duty under section 502 of the legislation if he determines it is in the national interest.

The Senate bill contained a similar provision (sec. 501(d)) that would allow the Secretary of Defense to increase the authorized

number of reservists on full time active duty by an amount equal to five percent of the number authorized for each reserve component if he determines it is in the national interest.

The Senate recedes.

Increase in number of certain personnel authorized to be on active duty in support of the reserve components (Sec. 503)

The Senate bill contained a provision (sec. 502) that would suspend for one year the statutory ceiling on the number of reserve personnel authorized to be on active duty in support of the reserve components in pay grades E-8 and E-9 in all services and pay grades O-4, O-5 and O-6 in the Army and the Air Force and would replace those ceilings with higher ceilings during fiscal year 1982.

The House amendment contained a similar provision (sec. 503). However, the provision in the House amendment would permanently change the statutory ceilings. In addition, the provision in the House amendment would permit unused authorizations in pay grade E-9 to be "carried down" to increase the number of authorizations in pay grade E-8.

The Senate recedes.

Defense mobilization capability (Sec. 504)

The House contained a provision (sec. 504) that would direct the Secretary of Defense to submit to the Congress not later than January 15, 1982, a plan for resolving the existing shortage in pre-trained military manpower. The plan would outline the actions necessary to resolve the shortage by no later than January 15, 1987.

The Senate report addressed this issue, but the Senate bill contained no similar provision.

The Senate recedes with an amendment requiring the plan submitted be designed to solve the shortage by 1984.

The House amendment would also direct the Secretary of Defense to submit by February 1, 1982, a study of the potential impact on military capability during mobilization of the use of Department of Defense civilian employees and employees of contractors.

The Senate recedes.

Extension of reserve bonus authority (Sec. 505)

The House amendment contained a provision (sec. 505) that would extend from September 30, 1981, to September 30, 1985, the authority for a bonus for reenlistment in the Individual Ready Reserve and a selective affiliation bonus for the Selected Reserve.

The Senate bill contained no similar provision.

The conferees agreed to extend the authority for a selective affiliation bonus until September 30, 1985, but not the authority for the Individual Ready Reserve reenlistment bonus.

TITLE VI—CIVILIAN PERSONNEL

The Department of Defense originally requested an end strength of 1,024,900 in March.

The Senate bill would authorize an end strength for the Department of Defense totaling 1,024,200.

The House amendment would authorize a Department-wide end strength of 1,031,900.

The conferees agreed to provide an overall Department of Defense authorization for civilian personnel of 1,024,500—the October administration request.

The conferees are aware that the Department of Defense presents its budgets to the Congress with a substantial number of civilian spaces subtracted in anticipation that proposals to convert certain functions from performance by Department of Defense personnel to performance by private contractor will prove feasible. This budget technique places undue pressure on the decision to convert to contract.

The conferees direct the Secretary of Defense to discontinue the practice of reducing civilian personnel authorization requests in anticipation of unspecified conversions to performance by private contractors.

Borrowed and diverted military manpower (Sec. 601)

The Senate bill contained a provision (sec. 601(a)(2)) that would direct the Secretary of the Army to use 16,800 of the increase in civilian personnel for the Army in fiscal year 1982 to replace military manpower performing civilian functions. The provision would further direct that no more than 5,000 of these 16,800 personnel could be indirect hires. The Secretary of the Army would also be required to submit a report by September 30, 1981, on how the 16,800 personnel were to be utilized.

The House had no similar provision.

The House recedes with an amendment changing the reporting date from September 30, 1981, to February 1, 1982.

Repeal of requirement for reduction in number of senior-grade civilian employees (Sec. 602)

The Senate bill contained a provision (sec. 910) that would repeal the requirement that the Department of Defense reduce by the beginning of fiscal year 1982 the total number of civilian employees in grades GS-13 through GS-18 by 4% from the number employed on June 30, 1977. The provision would retain the existing requirement that a 6% reduction be accomplished by the beginning of fiscal year 1983.

The House amendment contained a provision (sec. 603) that would repeal all requirements for reductions in senior-grade civilians.

The conferees agree that it is essential that civilian manpower be managed in a more efficient manner. The conferees believe that aggressive use of position management, rather than arbitrary reductions, is a more appropriate method of accomplishing this end. Such a program must include specific requirements with respect to (1) review of career ladders, (2) identifying position management as a critical element in the evaluation of first-line supervisors and managers, and (3) periodic and frequent indepth classification audits of groups of positions.

The conferees direct the Secretary of Defense to report to the Committees on Armed Services of the Senate and House of Representatives on the implementation of the position management program, including the guidelines outlined above, by December 31, 1981.

The Senate recedes.

Research and development laboratories: contracts for services of university students (Sec. 603)

The House amendment contained a provision (sec. 604) that would provide specific authorization for the Defense Department to contract for the temporary or intermittent services of college students to provide short-term technical support at Defense research and development laboratories.

The Senate bill contained no similar provision.

The Senate recedes with the understanding that the Department will not use such student service contract arrangements to circumvent civilian personnel ceilings or to provide for an increase in the civilian work force. The conferees intend that these contracts are to be entered into only for technical services and only when it can be demonstrated to be cost-effective.

Contracting out of commercial and industrial type functions

The House amendment contained a provision (sec. 602) that would require the military commander of the major command to which a commercial and industrial type activity (CITA) is assigned to certify that contracting out that function would not have a significant adverse effect on the mobilization mission assigned to the command.

The Senate bill contained a provision (sec. 602) that would exempt all commercial and industrial type functions with less than 50 employees from the existing statutory reporting requirements on proposed contracting out actions contained in section 502 of the Defense Authorization Act for fiscal year 1981 (Public Law 96-342). This provision would prohibit a reorganization of a CITA function in order to avoid the reporting requirement.

The conferees agreed to delete both provisions. Each house recedes on its separate provision.

TITLE VII—MILITARY TRAINING STUDENT LOADS

The Senate bill and the House amendment differed on military training student loads for the Army, Army National Guard, Army Reserve, and Air National Guard.

The Senate bill specifically authorized a portion of the requested student loads for the Army components for utilization solely for One Station Unit Training (OSUT). The Senate bill also contained an increase of 647 in training loads for the Air National Guard.

The House amendment contained essentially the same numbers for the Army, Army National Guard, and Army Reserve, although the training loads did not contain specific allocations for OSUT.

The House recedes with an amendment that sets the training load for the Air National Guard at 2,377, an increase of 220 over the Administration request.

One-year extension of reduction in number of students required to maintain a Junior Reserve Officers' Training Corps unit (Sec. 702)

The House amendment contained a provision (sec. 702) that would extend until August 31, 1982, a one-year extension of the provision that permits a Junior Reserve Officers' Training Corps (JROTC) unit to be maintained with a minimum enrollment of 100

students or 10 percent of the students enrolled at the institution who are at least 14 years of age, whichever is less.

The Senate bill contained no similar provision.

The Senate recedes.

TITLE VIII—CIVIL DEFENSE

The Senate bill (sec. 801) provided \$126.8 million for civil defense. The House amendment (sec. 801) authorized \$174 million and earmarked \$44 million for the emergency management assistance (EMA) program for state and local civil defense agencies. The conferees agreed to authorize \$129.0 million. Without earmarking a specific amount, the conferees expect the Federal Emergency Management Agency (FEMA) to make sufficient funds available for the EMA program in order to prevent any reoccurrence of the funding shortfalls that state and local agencies are currently experiencing.

The House amendment (sec. 801(b)) specified that the \$174 million authorization be used for the first year funding of the D Prime program, a seven year funding effort to upgrade the United States civil defense system. The D Prime program is designed to implement the policies of Presidential Directive 41 of September 1978 and Title V of the Federal Civil Defense Act of 1950. These policies provide for improving population survival in the event of nuclear war by developing a comprehensive population relocation capability during times of crisis. The Senate bill contained no similar provision.

The Administration has announced its intention to develop an expanded but cost effective United States civil defense program; the House conferees, therefore, agreed to delete section 801(b). In doing so, however, the conferees wish to emphasize the importance of the program being developed in a timely fashion. In line with that decision, the conferees recommend that efforts to upgrade the civil defense program should include planning for the protection of the general population as well as promoting continuation of government and developing the means for protecting key industries and related workforces. The conferees believe that insufficient attention has been paid to the issue of industrial base protection and that the current posture holds out little prospect that the United States could effectively protect, much less maintain, an adequate war-related production base.

The Senate bill (sec. 802) increased the current appropriations ceiling from \$40 million to \$45 million for the amount of Federal support that may be contributed to the states for personnel and administrative expenses associated with civil defense. The House amendment (sec. 802) increased the ceiling to \$47 million. The Senate recedes.

The House amendment (sec. 803) amends Title III of the Federal Civil Defense Act of 1950 to enable states to use funds for the preparation for and response to both attack-related and disaster-related events. The Senate bill contained no similar language.

The Senate conferees were concerned that under the House provision, funds could be expended in a manner that would not in fact permit *dual use*, i.e. that funds allocated for natural disaster preparedness would have limited or no utility in the event of a nuclear attack. Consequently, the Senate proposed a modification to the House provision, which permits dual use of attack-related civil defense resources for natural disaster preparedness as long as such

use of these resources is consistent with, contributes to, and does not detract from attack-related civil defense preparedness. The conferees expect to follow closely the development and implementation of the regulations called for in this section and will consider additional statutory direction in the future should it prove necessary to do so to conform the use of funds authorized pursuant to this Act to the conferees' intent.

Senate recedes with an amendment.

TITLE IX—GENERAL PROVISIONS

Requirements for annual authorization of appropriation for ammunition and other procurement not currently subject to annual authorization (section 901)

Section 903 of the Senate bill and section 902 of the House amendment would provide for annual authorization of appropriations for ammunition and other procurement not currently subject to annual authorization effective in fiscal year 1983. The Senate and the House provisions expressed the same intent but differed slightly in the wording of the requirement.

The Senate recedes.

Annual report on National Guard and Reserve component equipment (Section 902)

Section 914 of the Senate bill would require an annual report by the Secretary of Defense concerning National Guard and Reserve component equipment in the same format and level of detail as the Five Year Defense Program procurement annex now provided to Congress.

The House amendment contained no similar provision.

The House recedes.

Deferral of personnel end strength limitations (Sec. 903)

The House amendment contained a provision (sec. 906) that would authorize the President to defer military or civilian end strength ceilings established by statute for a period of up to two months during a war or national emergency.

The Senate bill contained no similar provision.

The Senate recedes.

Prohibition on certain civilian personnel management constraints (Sec. 904)

Section 911 of the Senate bill would specify that Department of Defense civilian personnel be managed solely on the basis of workload, available funds and authorized civilian end strengths for each fiscal year. The language would also provide that the management of Department of Defense civilian personnel should not be subject to any man-year constraint or limitation.

The House amendment contained a provision (sec. 910) that would prohibit the use of any funds authorized by the bill to establish within the Department of Defense any civilian personnel management system using the full-time equivalent employee concept.

The House recedes.

Military cooperation with civilian law enforcement officials (sec. 905)

The Senate bill contained a provision (sec. 915) that would clarify authority for cooperation between military and civilian law enforcement officials. The House amendment contained a similar provision (sec. 908). After substantial discussion the conferees agreed on a compromise included in Section 905 of the conference report.

Section 905 establishes a new chapter in Part I, subtitle A of title 10, United States Code, to authorize certain military cooperation with civilian law enforcement officials. The new chapter—chapter 18—would contain eight sections which (1) permit various forms of military assistance to civilian law enforcement officials, (2) restrict the direct participation of military personnel in law enforcement activities, (3) require that furnishing assistance not adversely affect military preparedness, (4) provide for reimbursement for assistance to civilian authorities, and (5) make clear that the chapter does not limit the authority granted by existing law. The new sections and their provisions are as follows:

Use of information collected during military operations (sec. 371). Both bills clarify existing authority for the Secretary of Defense to share information collected during the normal course of military operations. The House bill contained two clarifying phrases, both of which were accepted by the Senate. First, the House bill permits such information sharing “in accordance with other applicable laws” to assure the continued application of the Privacy Act. Second, the House bill provides that information may only be given to law enforcement officials who have jurisdiction to enforce the laws connected with the disclosed information. These provisions reflect current practice.

Use of Army, Navy, Air Force and Marine Corps equipment and facilities (sec. 372). Both bills contained provisions clarifying the authority of the Secretary of Defense to make available certain military equipment and facilities. The House bill contained three clarifying provisions that were accepted by the Senate. First, the Senate bill uses the term “armed forces” in reference to the ownership of the equipment and facilities involved. But that term, as defined in 10 U.S.C. 101, includes the Coast Guard. Therefore, to avoid authorizing the Secretary of Defense to lend or otherwise dispose of Coast Guard equipment and facilities, this section is limited to the equipment and facilities of the Army, Navy, Air Force or Marine Corps. Second, the House bill includes a limitation on the loan or other disposition of equipment and facilities to situations where such action is in conformity with other applicable laws. This provision assures the continued application of existing law, such as the Federal Property and Administrative Services Act of 1949. Finally, the House bill limits the use of the military equipment and facilities to law enforcement purposes. This limitation is consistent with current practice.

Training and advising civilian law enforcement officials (sec. 373). Both bills contain provisions authorizing the use of military personnel to train civilians in the operation of military equipment. The House bill authorized training for maintenance. The Senate accepted this change. The Senate also accepted the House provision which limited the provision of training assistance to personnel of the Army, Navy, Air Force or Marine Corps.

Assistance by Department of Defense personnel (sec. 374). This section, which is not found in the Senate bill, is derived from the House bill. Under the provisions of this section military personnel are authorized, in certain limited circumstances, to operate and maintain (or assist in the operation and maintenance of) equipment made available under proposed section 372. Assistance under this section is subject to the same procedures and requirements which apply to making equipment and facilities available under proposed section 372. The restrictions of proposed section 375 apply, as do the military preparedness considerations of proposed section 376. So do the reimbursement provisions of proposed section 377.

The assistance shall be limited to situations where the training of civilian personnel would be unfeasible or impractical from a cost or time perspective. The request for such assistance should come from the Cabinet-level official heading the Federal agency with jurisdiction to enforce the criminal provisions of the drug, customs or immigration laws.

The authority of military personnel to operate or maintain (or assist in operating and maintaining) equipment made available under proposed section 372 is granted for certain specific circumstances. First, under section 374(b), such assistance generally may be given only to the extent that the equipment is used for monitoring and communicating the movement of air and sea traffic. Indeed, this is the primary type of assistance sought and needed by Federal drug enforcement agencies.

However, the conferees recognized that there might be certain limited, emergency circumstances where it would be helpful if equipment provided under proposed section 372 and operated or maintained by Department of Defense personnel could be used for more than data collection. Therefore, section 374(c) permits the use of such equipment as a base of operations outside the land area of the United States in certain emergency situations. In these situations, such equipment can be used to move civilian law enforcement personnel so they can launch an enforcement operation on their own.

The conferees were concerned that use of military personnel in such operations had the potential for placing such personnel in confrontational situations. Therefore, certain safeguards were incorporated in this provision to assure the proper role for military personnel. The authority found in subsection (c) is limited to emergency situations, as determined jointly by the Secretary of Defense and the Attorney General, using a definition found in subsection (c)(2). That definition is intended to focus on the threat of large scale criminal activity at a particular point in time or over a finite period. It should not be construed to permit the declaration of an emergency which would permit use of this authority on a routine or extended basis. In order to clarify the role that the military personnel and equipment are authorized to play under subsection (c), that subsection also states that equipment operated by or with the assistance of military personnel may not be used to interdict or interrupt the passage of vessels or aircraft.

Subsection (c) also permits the transportation of civilian law enforcement officials in military equipment made available under section 372, and operated by Department of Defense personnel under 374(a). In connection with law enforcement operations outside the land area of the United States, such transportation may be

provided to or from a base of operations, such as a naval ship, or to or from fixed sites outside the land area of the United States. For example, if the Coast Guard, in an emergency circumstance, is launching an enforcement operation out of the United States Naval Base at Guantanamo Bay, Cuba, Coast Guard or DEA personnel could be transported to or from the base—from any location—in military equipment utilizing military personnel to operate such equipment.

Although such transportation of civilian law enforcement personnel is permitted only under emergency circumstances, the conferees note, and intend, that the need to provide such transportation can itself be an important factor to consider when determining whether enforcement would be seriously impaired if the military assistance is not provided.

The existence of the required emergency must be jointly determined by the Secretary of Defense and Attorney General. The existing broad delegation authority that current law extends to both the Secretary of Defense (10 U.S.C. 133(d)) and the Attorney General (28 U.S.C. 510) should apply to the joint determination made under subsection (c). However, the conferees expect and intend that such delegation will be extended only to appropriate high level officials in the respective Departments.

Restriction on direct participation by military personnel (sec. 375). Both bills provided for restrictions on the direct participation of military personnel in law enforcement activities. The Senate bill precluded the use of military personnel in arrests, searches, seizures or other similar activities unless otherwise authorized by law. The House bill contained a similar limitation, but provided an exception which allowed military personnel to assist in arrests and seizures outside the land area of the United States under certain limited circumstances. None of the federal enforcement agencies requested or indicated a desire for such authority for military personnel. Accordingly, the authority contained in the House bill for this form of direct law enforcement activity by military personnel was deleted by the conferees.

The section agreed upon by the conferees requires that the Secretary of Defense shall issue regulations to insure that the provision of any assistance under this chapter does not include direct participation by a member of the Army, Navy, Air Force or Marine Corps in an interdiction of a vessel or aircraft or in a search, seizure, arrest or other similar activity, unless such activity is otherwise authorized by law. Nothing in this section, however, limits the inherent authority of military personnel to defend themselves or to protect Federal property. Nothing in this chapter adversely affects the authority of the Attorney General to request assistance from the Department of Defense under the provisions of 21 U.S.C. 873(b). The limitation posed by this section is only with respect to assistance authorized under any part of this chapter.

Assistance not to adversely affect military preparedness (sec. 376). Both bills provide that the assistance rendered under this chapter by the Department of Defense shall not adversely affect the military preparedness of the United States. The conferees state this general rule in the statute, and also require the Secretary of Defense to issue such regulations as may be necessary to insure that result.

Reimbursement (sec. 377). This section authorizes the Secretary of Defense to issue regulations providing that reimbursement may be a condition of the assistance to civilian law enforcement officials under this chapter. This provision was contained, in slightly different form, in both bills. The regulation should reflect sufficient flexibility to take into consideration the budgetary resources available to civilian law enforcement agencies.

Non-pre-emption of other law (sec. 378). Section 378 clarifies the intent of the conferees that the restrictions on the assistance authorized by the new chapter in title 10 apply only to the authority granted under that chapter. Nothing in this chapter should be construed to expand or amend the Posse Comitatus Act. In particular, because that statute, on its face, includes the Army and Air Force, and not the Navy and Marine Corps, the conferees wanted to ensure that the conference report would not be interpreted to limit the authority of the Secretary of Defense to provide Navy and Marine Corps assistance under, for example, 21 U.S.C. 873(b). However, nothing in this chapter was in any way intended to rescind or direct the rescission of any current regulations applying the policies and terms of the Posse Comitatus Act to the activities of the Navy or Marine Corps.

Report requirement. Subsection (b) of section 908 of the bill provides that the Secretary of Defense shall, not later than thirty days after the expiration of 180 days after the effective date of this chapter, submit a report to Congress on the assistance authority by this chapter. The report shall include findings with respect to the effect of assistance provided under this chapter.

The assistance of the military authorized by this chapter will be used primarily by the United States Department of Justice, the Coast Guard and the Customs Service. Thus, the conferees expect that the Secretary of Defense will include within this report the views of the Attorney General, the Commandant of the Coast Guard and the Secretary of the Treasury. In addition, in order to assess the relative importance of the assistance rendered by the military, the conferees expect that the report will address the desirability of expanding or contracting the scope of the assistance authorized by this chapter.

Determination of CHAMPUS payments (Sec. 906)

The House amendment contained a provision (sec. 905) that would eliminate the requirement for the use of customary charges in determining reimbursement schedules for physicians and would also provide that the 12-month base period that is currently used for determining medical charges be adjusted at least once a year.

The Senate bill contained no similar provision.

The Senate recedes.

Increase in dollar thresholds for certain defense contract regulations (Sec. 907)

The House amendment contained a provision (sec. 903) that would amend sections 2304(a)(3) and 2304(g) of title 10, United States Code, to raise the current ceiling for use of the simplified small purchase procedures from \$10,000 to \$25,000. The House provision would also amend section 2306(f)(1) of title 10 to increase the certification threshold for the Truth in Negotiations Act (Public Law 87-653) from \$100,000 to \$500,000. Further, the House provi-

sion would amend section 2311 of title 10 by increasing from \$100,000 to \$5 million the threshold below which the service Secretary has the power to authorize negotiation of contracts for experimental, development or research work or for making or furnishing property for experiment, test, development, or research.

The Senate bill contained no similar provision.

The conferees believe these increases will provide administrative relief in the procurement process and should thereby result in substantial cost savings.

The Senate recedes.

Procurement of automatic data processing equipment (Sec. 908)

The Senate bill contained a provision (sec. 907) that would amend chapter 137 of title 10, United States Code, by adding a new section 2315 to such title. The new section 2315 would provide that no provision of law, other than the provisions of chapter 137 (as amended) and chapter 141 of title 10, would be applicable to the procurement by the Department of Defense of any automatic data processing (ADP) equipment or services if the function, operation, or use of such automatic data processing equipment or service involves intelligence activities; cryptological activities related to national security; command and control of military forces; equipment that is an integral part of a weapon or weapon system; or equipment that is critical to the direct fulfillment of military or intelligence missions. The Senate provision would effectively exempt the procurement of these specific hardware and software items and related services from the application of section 111 of Federal Property and Administrative Services Act of 1949 (10 U.S.C. 795) which designates the General Services Administration (GSA) as the coordinating authority for the purchase, lease and maintenance of ADP by federal agencies.

The Senate provision would not apply to procurement of any automatic data processing equipment or services if such equipment or services were to be used for routine administrative and business applications such as payroll, finance, logistics, or personnel management.

The House amendment contained no similar provision.

The conferees agreed to substitute language containing technical amendments providing that procurement by the Department of Defense of automatic data processing equipment or services for intelligence activities; cryptological activities related to the national security; command and control of military forces; equipment that is an integral part of a weapon or weapon system; or equipment or services that are critical to the direct fulfillment of military or intelligence missions are not subject to the provisions of section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 795). The substitute language would be incorporated into a new section 2315 of chapter 137, title 10, United States Code.

Under the substitute language recommended by the conferees, the procurement of ADP equipment and services for the functions specifically exempted from GSA control would be subject to all other applicable procurement laws and regulations. Further, the substitute language does not include the procurement of data processing equipment or services to be used for routine administrative and business applications including payroll, finance, logistics, and personnel management applications. In addition, the substitute lan-

guage would not apply to any contract made before the date of enactment of the Defense Authorization Act for fiscal year 1982.

The House recedes with an amendment.

Armed services procurement policy (Sec. 909)

The Senate bill contained a provision (sec. 905) that would amend section 810 of the Department of Defense Appropriations Authorization Act, 1976 (Public Law 94-106), relating to the obligation of funds under a multiyear procurement contract, by increasing the ceiling imposed on cancellation clauses in such contracts from \$5 million to \$50 million. Further, the Senate provision would have directed the Secretary of Defense to specify in Department of Defense authorization requests for each fiscal year those weapons programs that in his judgment should be procured under multiyear contracts, if the contract cancellation ceiling to be provided in such contracts would exceed \$50 million. In addition, the Senate provision specified certain criteria to be considered by the Secretary of Defense prior to entering into a multiyear contract.

The House amendment contained a provision (sec. 909) that would amend section 2301 of title 10, United States Code, by providing a general policy for the procurement of property and services (including weapon systems and associated items) by the Department of Defense. Under the guidelines of the policy, property and services for the Department of Defense could be acquired by any kind of contract, other than cost-plus-a-percentage-of-cost contracts, but including multiyear contracts, that would promote the interest of the United States. The guidelines would also provide that such contracts, when practicable, provide for the purchase of property at times and in quantities that would result in reduced cost to the government, provide incentives to contractors to improve productivity through investment, and provide for the achievement of economic lot purchases and efficient production rates.

The House provision would amend section 2306 of title 10, United States Code, to authorize multiyear contracting for the procurement of services and related items of supply to be performed within the continental United States financed by funds made available for a single year. Such services and related items of supply may now be procured by multiyear contracts outside of the continental United States pursuant to section 2306 of title 10, United States Code.

The House provision would add a new subsection 2306(h) to title 10, United States Code, authorizing the heads of military departments to make contracts for the purchase of property, including weapon systems and items and services associated with weapon systems, for periods of not more than five years if the Secretary of the department (or other designated official) finds that certain specified criteria would be met.

The provision would direct the Secretary of Defense to prescribe regulations in a manner that would permit the most efficient use of multiyear procurement. The regulations issued under the authority of the new subsection could provide for contract cancellation provisions as necessary; could include contractor recurring and nonrecurring costs recovery within contract cancellation provisions; and must provide that, to the extent practicable, multiyear contracting should be used to expand the industrial base of defense

subcontractors, vendors, and suppliers. In addition, the new subsection 2306(h) would provide that the regulations should not preclude or curtail competition, or the right of the military departments to terminate a prime contract wherein performance is deficient with respect to cost, quality, or schedule.

Other provisions of the new subsection 2306(h) would:

Require that the Committees on Armed Services and Appropriations of the Senate and the House of Representatives be notified in writing 30 days prior to the award of a multiyear contract if the contract contains a cancellation clause setting forth a cancellation ceiling in excess of \$100 million;

Authorize multiyear contracts for the advance procurement of components, parts and materials necessary to manufacture weapon systems, for the purpose of achieving economic-lot purchases and to achieve more efficient production rates; and

Authorize the payment of cancellation or termination costs for a multiyear contract from appropriations made for the contract concerned, from appropriations available for procurement of the type of property concerned, or from funds specifically appropriated for cancellation or termination costs.

The House provision would require the Secretary of Defense and the Director of the Office of Management and Budget to modify existing procurement regulations not later than ninety days after enactment to implement the amendments made by the new subsection 2306(h).

The House provision would exempt from the multiyear contracting authority granted by the new subsection 2306(h): (a) the Coast Guard and the National Aeronautics and Space Administration; (b) contracts for the construction, alteration or major repair or improvements to real property; and (c) contracts for the purchase of property to which section 111 of the Federal Property and Administrative Services Act of 1949 (automatic data processing equipment) applies.

The House provision would repeal section 810 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 89 Stat. 539), which imposes a \$5 million ceiling on cancellation clauses contained in multiyear defense contracts.

The House provision also makes a technical and conforming amendment to section 2311 of title 10, United States Code, relating to the delegation of authority to make determinations and decisions regarding defense contracts.

The conferees agreed to accept the House provision with amendments. The substitute language would more clearly and narrowly set forth the criteria that the head of an agency must apply to a contemplated multiyear defense contract prior to a decision to procure property by this means. The substitute language would also define the term "multiyear contract" for the purposes of the new subsection 2306(h) of title 10 as a contract for the purchase of property or services for more than one, but not more than five, program years. Further, the definition states that such a contract could provide that performance under the contract during the second and subsequent years of the contract would be contingent upon the appropriation of funds and that such a contract could provide for a cancellation payment to be made to the contractor if such appropriations are not made.

The provisions agreed to by the conferees limit the authority to enter into multiyear contracts to cases where "funds are otherwise available for obligation". This language was adopted to make clear that the provision does not, by itself, provide contract authority. Rather the authority to enter into contracts is provided subject to funds being available for obligation through other actions of the Congress or other provisions of law. In adopting this language, the conferees did not intend to restrict the authority to enter into multiyear contracts solely to those cases where funds are appropriated for that purpose. On the contrary, the conferees envision that funds could be available for obligation for a multiyear contract from, for example, annually made appropriations, including funds made available through reprogramming or transfer; proceeds from sales of goods and services which under current provision of law would be available for obligation; and funds available for obligation in connection with foreign military sales.

The conferees do not believe that funding for the entire term of a multiyear contract is necessary. Under the Defense acquisition procedures that have been in effect for many years, the Department of Defense does not fund items being purchased during all the program years covered by the multiyear contract. Rather, the department obligates funds under a contract for items being purchased during the first program year when the contract is entered into and subsequently obligates funds under the contract for each subsequent program year of procurement when those funds have been appropriated for that year. The government is not obligated to pay the contractor for subsequent program years, nor is the contractor obligated to proceed for subsequent program years until the funds have been appropriated and the contractor has been advised that those funds are available for contract performance. Under the provisions recommended by the conferees, that practice could continue.

The conferees expect that these provisions, in conjunction with other applicable provisions of law, would allow the Department of Defense to enter into a contract, that provides for the initial program year and for up to five program years, with funds available for obligation in an amount sufficient only for the first year plus any termination liability provided for under the contract. The contract could include a cancellation ceiling that would set a ceiling on those amounts that the government would owe the contractor if subsequent program years are not ordered, that could be either funded or treated as a contingent liability.

The Senate recedes with amendments.

Modification of defense contract profit limitation provisions (Sec. 911)

The Senate bill contained a provision (sec. 904) that would repeal the profit limitation provisions of the Vinson-Trammell Act of 1934. These provisions have been codified in the United States Code in sections 2382 and 7300 of title 10. Section 2382 places fixed profit limits of 12 percent on contracts or subcontracts over \$10,000 for the construction of military aircraft. Section 7300 places profit limits of 10 percent on contracts or subcontracts over \$10,000 for the construction of naval vessels.

The House amendment contained a provision (sec. 911) that would extend the waiver of those provisions beyond the current ex-

piration date of October 1, 1981 (Public Law 96-342, sec. 1005), to July 1, 1982, on any contract or subcontract of such a contract for which final payment is made before July 1, 1982. The House amendment would also prohibit the responsible agencies from implementing the Vinson-Trammell provisions before July 1, 1982.

The conferees adopted a proposal that would amend section 2382 of title 10, United States Code, and repeal section 7300 of title 10, United States Code. The amendment to section 2382 would authorize the President, upon a declaration of war or national emergency, to prescribe such regulations as he determines are necessary to control excessive profits on defense contracts. Such regulations would apply to appropriate defense contracts and subcontracts that are entered into during the war or national emergency and to major modifications of contracts or subcontracts that are issued during the war or national emergency.

The amendment to section 2382 authorizes the President to transmit to Congress, within 60 days after the declaration of war or national emergency, such regulations as he may prescribe. The regulations would take effect unless both Houses of Congress disapprove the regulations within 60 days after transmission.

That amendment provides further that such regulations as the President prescribes would remain in effect for no more than five years after the date on which they take effect unless they are extended by both Houses of Congress. Such extension could be for no more than one year.

That amendment provides also that a Court of Claims would have exclusive jurisdiction over claims arising from actions taken under the section or regulations prescribed under the section.

The President would be required to report to Congress at the end of each year concerning any regulations prescribed pursuant to this amendment and also to report to Congress at the end of any war or national emergency during which any such regulations are in effect.

In addition, the amendment language provides that no regulation may be issued or other action taken to enforce any provision of section 2382 or section 7300 of title 10, United States Code, with respect to any contract entered into between October 1, 1976, and the date of enactment.

The Senate recedes with an amendment.

Military base reuse studies and community planning assistance (Sec. 912)

Section 913 of the House amendment would extend base reuse planning language from the fiscal year 1977 Military Construction Authorization Act and would authorize the Secretary of Defense to make available grants or other funds to communities affected by base closures and realignments, or cancellation of major defense contracts. The Senate bill contained no similar provision.

Specifically, the House provision would:

Authorize the Secretary of Defense, if he determines that the installation may be suitable for another use beneficial to the nation, to conduct environmental impact, stress, and other studies to determine possible future use by federal, state and local governments of military installations that have been publicly announced as candidates for closure or that the Department of Defense has decided to close.

Authorize the Secretary of Defense to make available grants or other funds to local and state governments or regional entities for purposes of planning community adjustments required by the proposed or actual establishment, realignment, or closure of a military installation or by the cancellation of defense contracts or major weapon programs if the Secretary of Defense determines that such actions are likely to have a significant community impact.

Authorize the Secretary of Defense to provide funding assistance if (1) base expansion or new establishment would result in assignment to such base of more than 2,500 defense civilian and military personnel or more defense civilian and military personnel than ten percent of the number of employees in counties and municipalities within 15 miles of such installation, whichever is less, and (2) if no other community impact assistance is available.

Provide that financial assistance in the case of a contract cancellation or program termination may only be made if the termination results in the loss of 2,500 local jobs.

Restrict assistance to no more than \$2 million during any fiscal year.

Require the Secretary of Defense to submit to Congress an annual report on the operation of this program and direct the initial report be submitted no later than December 1, 1982.

Define "military installation" as used in this provision.

The Senate recedes with an amendment to include within the definition of local workforce "contract personnel" as well as defense civilian and military personnel.

Use of funds to relieve economic dislocations (Sec. 913)

The Senate bill contained a provision (sec. 906) that would prohibit the use of Department of Defense funds to pay, in connection with any contract awarded by the department, a price differential for the purpose of relieving economic dislocations.

The Senate provision also provided for a test program to be conducted within the Defense Logistics Agency. Under the test program the aforementioned prohibition would not apply to contracts, other than contracts for fuel purchases, entered into by the Defense Logistics Agency during fiscal year 1982 if the Secretary of Defense were to make certain determinations. The Secretary would be required to determine that such contract would not adversely affect national security; that there would be a reasonable expectation that bids would be received from a sufficient number of responsible bidders so that the award of such contract would be made at reasonable cost to the United States; that the price differential to be paid under such contract would not exceed 5 percent; and that the cumulative value of all contracts awarded under this exception would not exceed \$3.4 billion.

The Senate provision also directed the President to submit a report to Congress by April 15, 1982, on the implementation and results of the test program.

The House amendment contained no similar provision.

The House recedes.

Prohibition against doing business with certain contractors (Sec. 914)

The Senate bill contained a provision (sec. 921) that would prohibit the Department of Defense from soliciting a bid from, awarding a contract to, extending an existing contract with, or approving, when approval is required, the award of a subcontract to a contractor that has been debarred or suspended by another Federal agency.

The prohibition as contained in the Senate bill would apply when the Department of Defense has knowledge of such debarment or suspension. The prohibition would not apply when the debarment has expired or has been terminated or the suspension has expired. In addition, the prohibition would not apply when the Department of Defense determines there is a compelling reason to conduct business with a debarred or suspended contractor and transmits a notice to the General Services Administration describing such a determination. The provision provides further that such notices will be maintained by the General Services Administration in a file available for public inspection.

The conferees agreed that the authority and duty to file notices under this provision should rest with the service Secretary concerned.

The House amendment contained no similar provision.

The House recedes with an amendment.

Civil Reserve Air Fleet (Sec. 915)

The House amendment contained a provision that would amend Chapter 931 of title 10, United States Code, to authorize the Secretary of the Air Force to modify existing and newly manufactured civil aircraft to configurations capable of carrying outsize and bulk military cargo, and provide financial incentives for civilian participation in the Civil Reserve Air Fleet program.

The Senate bill contained no similar provision.

The Senate recedes.

Selective Service System Enforcement (Sec. 916)

The House amendment contained a provision (sec. 904) that would authorize the President to require registrants to submit social security numbers at the time of registration and to require the Secretary of Health and Human Services to furnish to the Director of Selective Service the names, dates of birth, addresses and social security numbers of individuals required to register. The information made available to Selective Service under this provision would be used only for purposes of enforcement of the Military Selective Service Act. The provision would also require the Director of Selective Service, upon request of the Secretary of Defense or the Secretary of Transportation, to provide the Secretary concerned with names and addresses of registrants for purposes of recruiting.

The Senate bill contained no similar provision.

The Senate recedes.

Unit-Cost reports (Sec. 917)

The Senate bill contained a provision (sec. 922) that would require the Secretary of the applicable service, and possibly the Sec-

retary of Defense, to submit a report if the unit cost growth of certain major defense systems exceeds designated cost growth thresholds. The service secretary report would contain, among other things, the reasons for the cost increase, the identities of the military and civilian officials responsible for the program management, the action taken and proposed to be taken to control future cost growth, and a statement by the contractors involved explaining reasons for the cost growth. The Secretary of Defense report would include a certification as to the necessity of the systems for reasons of national security, the alternatives to such system, the reasonableness of new cost estimates and the adequacy of management structure. The provision would prohibit the obligation and expenditure of funds if the reports were not submitted within the required time frames.

The House amendment contained a provision (sec. 918) requiring the services to submit a report stating the projected total acquisition cost of each item for which funds are individually authorized and appropriated and for which funds are requested if the cost of the item is \$1 billion or more.

The House recedes with an amendment that strikes the provisions prohibiting the expenditure of funds if the required report is not submitted, deletes the requirement for contractor explanations and changes from 10 percent to 15 percent of the growth in unit cost that would trigger the initial reporting requirement for systems in procurement.

Recommendations with respect to the elimination of waste, fraud, abuse and mismanagement in the Department of Defense (Sec. 918)

The House amendment contained a provision (sec. 915) that would direct the President to submit to Congress by January 15, 1982, recommendations for improving the efficiency and management of the Department of Defense. The provision would require that a report be submitted including recommendations from the General Accounting Office contained in reports issued since January 1, 1979, together with the Department of Defense response to the GAO reports.

The Senate recedes with an amendment providing for one report on January 15, 1982, and another on January 15, 1983 to be submitted by the Secretary of Defense in lieu of the President. For the first report, because of the time constraint, the review of GAO reports only has to go back to October 1, 1980. The second report under this section must review GAO reports back to January 1, 1979.

Report on contributions to the common defense (Section 919)

Section 902 of the Senate bill would express the sense of Congress that the burdens of mutual defense are not being shared proportionately by the United States and some of its allies and would require the Secretary of Defense to submit a report on allied contributions to the common defense.

The House amendment contained no similar provision.

The conferees agreed to delete the sense of Congress language and to extend the reporting requirements contained in section 1006 (c) of the Department of Defense Authorization Act of 1981 (Public Law 96-342).

The House recedes with an amendment.

Assistance to Yorktown Bicentennial Celebration (Sec. 920)

The Senate bill contained a provision (sec. 917) authorizing appropriations not to exceed \$750,000 to provide logistical support, personnel services, and equipment for the Bicentennial Celebration of the American victory at Yorktown. The Senate amendment also authorized such other services as the Secretary of Interior may consider necessary and the Secretary of Defense may consider advisable.

The House amendment contained a similar provision (sec. 912) but no authority for such determination by the Secretary of Interior.

The House recedes.

Requirements relating to the awarding of sole source contracts

The Senate bill included a provision (sec. 908) that would require certain actions designed to ensure that sole source procurement would not be used when competition would be more appropriate.

The conferees discussed this provision extensively and are agreed that greater effort to increase the use of competition is required in the Department of Defense. However, the House conferees were adamant that they could not accept statutory language prior to further study of the effect of such proposed provision.

The conferees, therefore, agreed to delete the language of section 908 but direct that the Secretary of Defense provide a report not later than February 1, 1982, to include the following:

An agreed upon methodology to be used by all the military departments in providing statistical data to determine the use of competitive procurement in the Department of Defense, including agreed upon definitions of action relating to competitive and non-competitive procurement to allow a standardized procedure for reporting on such actions to the Congress.

The recommendations of the Secretary of Defense for such changes as he deems appropriate, including legislative changes if necessary, to increase the use of competitive procurement in the military departments, including the views of the Secretary regarding savings to be achieved by competitive procurement.

The conferees are further agreed that each House shall conduct hearings in its appropriate committee as soon as feasible, during this session of Congress, on the subject of sole source procurement with a view to devising legislation to reduce the use of non-competitive procedures.

The conferees also agreed that legislation, modeled on section 908 of the Senate bill, shall be introduced in each House to provide a vehicle for discussion in the planned hearings.

Contingent once-a-year adjustment of retired pay

The Senate bill contained a provision (sec. 909) that would require an annual, rather than semi-annual, adjustment to military retired and retainer pay, effective March 1 of each year, contingent on a similar change being made in the civil service retirement system.

The House amendment contained no similar provision.

The conferees observed that the objectives of the provision in the Senate bill were accomplished in conjunction with action on the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35).

The Senate recedes.

Liability of the United States for tort actions of National Guard Members

The Senate bill contained a provision (sec. 912) that would make the United States liable for claims for property damage, personal injury or death, caused by a member of the National Guard while performing certain duties, in the same fashion that the United States would be liable in an action brought against the United States under the Federal Tort Claims Act. (28 U.S.C. 1346; Ch. 171, title 28).

The House amendment contained no similar provision.

The Senate recedes.

The conferees recognized that the provision could be considered to be nongermane under the House rules, and it was deleted. The House Committee on the Judiciary is considering a similar bill, H.R. 3799, which was favorably reported by the Subcommittee on Administrative Law and Government Regulations on October 29, 1981.

Establishing the position of Director of the Defense Security Assistance Agency

The Senate bill contained a provision (sec. 913) that would establish the position of Director of the Defense Security Assistance Agency as a Presidential appointment requiring Senate confirmation and would define certain duties of the office.

The House amendment contained no similar provision.

The Senate recedes.

Servicemen's Group Life Insurance and Veterans' Group Life Insurance

The Senate bill contained a provision (sec. 918) that would increase the maximum coverage under the Servicemen's Group Life Insurance and Veterans' Group Life Insurance programs from \$20,000 to \$35,000.

The House amendment contained no similar provision.

The increases in the levels of insurance were included in separate legislation (Public Law 97-66).

The Senate recedes.

Denial of benefits for persons who fail to complete two years of an original enlistment

The Senate bill contained a provision (sec. 919) that would amend the current denial of benefits provision for persons who fail to complete at least two years of an original enlistment.

The House amendment contained no similar provision.

The Senate recedes.

Nuclear arms control talks

The Senate bill contained a provision (sec. 920) that would recite Congressional findings that: the President has stated his willingness to resume negotiations of nuclear arms control agreements with the Soviet Union; that the foreign ministers of a number of

European governments have urged the government of the United States to resume nuclear arms limitation talks; and that the Secretary of State has recently negotiated a communique with the foreign ministers of NATO stating that "the allies stress the value of stabilizing, equitable and verifiable arms control through limitations on Soviet and U.S. strategic arms." The Senate provision would declare it to be the sense of the Senate that the Senate supports the reopening of nuclear arms control talks and that the Senate and the President should work together to achieve the President's goal of resuming such talks.

The House amendment contained no similar provision.

The Senate recedes.

Restriction on purchase of foreign-made administrative motor vehicles

Section 914 of the House amendment prohibited the service Secretary from purchasing administrative motor vehicles outside the United States or Canada unless the purchase involves less than \$50,000 or the Congress has specifically authorized the purchase of such motor vehicles.

The Senate bill contained no similar provision.

The House recedes.

Recruitment of individuals with high school equivalency certificates

The House amendment contained a provision (sec. 916) that would prohibit during fiscal year 1982 the use of any gender-based distinctions in original enlistments in the military services based upon high school equivalency certificates except when such gender-based distinctions are necessary to maintain readiness. The Secretary of Defense would also be directed to submit a report to Congress by January 15, 1982, on the impact of such a limitation and on performance and readiness differences between certain male and female enlistees.

The Senate bill contained no similar provision.

The House recedes.

Limitation on sale of silver from the national defense stockpile

The House amendment contained a provision (Sec. 917) that would terminate the authority to dispose of silver held in the National Defense Stockpile on September 30, 1982, unless the President determines that the remaining silver authorized for disposal is excess to the requirements of the stockpile.

The Senate bill contained no similar provision.

The conferees noted that a similar provision was included in the Omnibus Reconciliation Act of 1981 (Public Law 97-35) and that inclusion in this bill would be redundant.

The House recedes.

Study of foreign language requirements

The House amendment contained a provision (sec. 919) that would direct the Secretary of Defense to study the feasibility of requiring students enrolled in the service academies and in senior ROTC programs to study a foreign language and the feasibility of providing a bonus to service members who are proficient in the native language of a foreign country in which they are stationed.

The Senate bill contained no similar provision.

The Department of Defense indicated that foreign language requirements currently exist for the Senior ROTC program and for the U.S. Military Academy and the U.S. Air Force Academy, with language courses available for students at the U.S. Naval Academy. The House conferees agreed to pursue the desirability of a bonus for foreign language proficiency through a letter to the Department of Defense.

The House recedes.

Verification of claims by West Germany

Section 920 of the House amendment would express the sense of Congress that the Secretary of the Army should strengthen his capacity to verify large claims against the United States made by the Federal Republic of Germany due to damages resulting from maneuvers and other Army activities. That section would provide that Corps of Engineers or other Army personnel be used to verify such claims.

The Senate bill contained no similar provision.

The House recedes.

The conferees agree that the Secretary of the Army should do all possible to verify the claims in question but are of the opinion that statutory language is not necessary to express the concern of Congress in this instance.

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When differences regarding intelligence related activities are under consideration:

EDWARD P. BOLAND,
NORMAN Y. MINETA,
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Solely for consideration of section 908 of the House amendment and section 915 of the Senate bill:

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Managers on the Part of the House.

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JOHN TOWER,
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